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Japan

U.S. Defense Secretary Cheney Continues Visit

Holds Talks With Matsumoto

OW2202092590 Tokyo KYODO in English 0843 GMT 22 Feb 90

[Text] Tokyo, Feb. 22 KYODO—U.S. Defense Secretary Dick Cheney Thursday proposed cutting 12,000-13,000 U.S. troops in the Pacific over the coming three years, including 5,000-6,000 in Japan, Japanese defense sources said.

Cheney made the proposal in talks in Tokyo with his Defense Agency counterpart Juro Matsumoto.

The U.S. deploys some 520,000 military troops abroad, including 350,000 in Europe, 50,000 in Japan, 43,000 in South Korea and 17,000 in the Philippines.

Cheney has been in Tokyo since Tuesday as part of a two-week East Asian swing to review U.S. military strategy in the region.

He had proposed cutting 5,000 U.S. forces in South Korea and 2,000 in the Philippines before he became to Tokyo.

Cheney characterized reshaping of the 50,000 U.S. troops in Japan as "under study."

Matsumoto lauded the U.S. commitment to Asian-Pacific security despite continuing problem of its budget deficit, adding that joint discussions and awareness of the regional military threat should guide any reshaping of forces, the sources said.

The defense chiefs agreed that Soviet threat in the region remained unchanged despite a relaxation of military tensions in Europe, the sources said.

Matsumoto proposed that West Bloc nations should press the Soviet Union to unilaterally reduce its Far East forces amid relaxation of East-West tensions, the sources said.

The Japanese defense officials, however, also noted the large Soviet military presence in the Far East and qualitative advance in its forces.

The defense chief said Western nations should further strengthen their unity and mutual cooperation.

Cheney expressed hope that Japan would increase its share of its defense burden. This, he stressed, was necessary so that the U.S. could maintain an effective forward troop deployment, according to the sources.

The Japanese side promised to make utmost efforts to meet the U.S. request, the sources said.

Agency officials informed Cheney that the goals of Japan's latest five-year defense buildup program were nearly achieved. They said the new defense plan for 1991-95 will stress communication systems and improvement in support forces, the sources said.

Both nations also agreed to promote technology exchanges, they said.

Government Source Cites Talks

OW1702151290 Tokyo KYODO in English 1029 GMT 17 Feb 90

[Text] Tokyo, Feb. 17 KYODO—U.S. Defense Secretary Dick Cheney is likely to propose a reduction of about 5,000 in U.S. troop numbers in Japan during his talks with Defense Agency head Juro Matsumoto, government sources said Saturday.

Cheney is due to arrive in Tokyo from the Philippines on Tuesday as part of a visit to the Asian region.

He is scheduled to hold talks with Matsumoto, director general of the Defense Agency, on Thursday.

Cheney is expected to tell Matsumoto the United States will withdraw gradually about 5,000 troops or 10 percent of U.S. troops stationed in Japan over an extended period, the sources said.

They said the withdrawal will not result in a deterioration of any deterrence factor as it will exclude frontline troops.

Matsumoto will express Japan's hope that the U.S. policy will not adversely affect the strategic and functional role of its forces in Japan, the sources said.

Cheney said in Seoul on Wednesday he proposed a withdrawal of about 5,000 U.S. troops from South Korea and an additional 7,000 to 9,400 from the Philippines and Japan.

Vice Defense Minister Seiki Nishihiro, who visited Washington last month ruled out any withdrawal of U.S. combat forces from Japan.

The sources said the United States would pull out surplus personnel at military installations on the Japanese main islands and Okinawa.

Cheney and Matsumoto will also exchange views on the rapidly changing international situation, U.S. military strategy in Asia and increased payments from Japan for troop costs.

Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama will tell Cheney Japan will make positive efforts to increase its share of defense costs, the sources said.

Announcement Expected on Carrier

OW2102144890 Tokyo KYODO in English 1257 GMT 21 Feb 89

[Text] Tokyo, Feb. 21 KYODO—U.S. Defense Secretary Dick Cheney will announce the deployment of the aircraft carrier Independence at the U.S. Naval Base at Yokosuka, Kanagawa Prefecture, after the Midway retires in 1992, informed Japanese and U.S. Sources said Wednesday.

Cheney, now in Tokyo for a five-day visit for military consultations with Japanese officials, will make the announcement in his speech at the Japan National Press Club scheduled for Friday, the sources said.

The Midway, which has been deployed at Yokosuka, south of Tokyo, since 1973, will retire in the fall of 1992 after failed design criteria during repairs in 1986.

The U.S. has not announced the name of the flattop to succeed the Midway.

The Independence, an 80,643-ton Forrestal-class vessel now part of the Pacific Fleet, has been in service since 1959 and was modernized two years ago to extend its life span.

The Independence has about 1,000 more crew members than the Midway and can carry F-14 fighters and S-3 antisubmarine patrol planes, unlike the Midway.

Government, U.S. Open Structural Trade Talks

OW2202024390 Tokyo KYODO in English 0145 GMT 22 Feb 90

[Text] Tokyo, Feb. 22 KYODO—Japan and the United States began a third round of trade talks here Thursday on structural problems contributing to the bilateral trade imbalance amid mounting tension in overall trade relations.

During the two days of talks, the two sides hope to agree on joint steps to be implemented toward the successful conclusion of a one-year program in the summer, as planned.

Subcabinet-level officials from Tokyo and Washington will debate structural causes behind the trade woes with an eye to dismantling them to correct a bilateral trade gap of more than 50 billion dollars a year in favor of Japan.

The talks, dubbed the structural impediments initiative (SII), were officially launched in July last year by U.S. President George Bush and Japan's then Prime Minister Sosuke Uno.

The working-level officials will issue an interim report on the talks in April.

Japanese Government sources said the U.S. will likely sharpen its demand over Japan's structural reforms now that the ruling Liberal Democratic Party (LDP) has won a majority of seats in the House of Representatives in Sunday's general election.

The issues likely to come under attack by the U.S. are government investment in public projects, the scrapping of the Large Retail Stores Law, and the tougher enforcement of Japan's Antimonopoly Law, they said.

Asking not to be identified, a senior government official said, " 'U.S. negotiators are well aware of the fact that what we are dealing with here can't be solved that easily, but they want something concrete from the talks anyway to satisfy the Congress."

"I just hope the U.S. doesn't think the success of the SII talks is the answer to everything," the official said.

He stressed that the huge U.S. trade deficit with Japan cannot be trimmed substantially by Japan's structural adjustment alone.

On the first day of the Tokyo session, the Japanese side will explain about a 10-point reform plan on its land policy, the relaxation of the Large Retail Stores Law, and the introduction of strict measures to prevent cross share holdings between parent firms and their affiliates.

On the second day, the U.S. will take its turn to explain the Bush administration's plans to increase low savings and investment rates and to raise declining U.S. corporate competitiveness under the budget for fiscal 1991, starting in October.

The U.S. has singled out six structural problems for Japan to resolve: the savings and investment balance, land policy, distribution, exclusionary business practices, corporate groupings known as "keiretsu," and pricing mechanisms.

U.S. issues cited by Japan are the savings and investment balance, corporate investment activities, corporate behavior, government regulations, corporate research and development activities, export promotion, and labor training and education.

Increased Public Investment Urged

OW2202070290 Tokyo KYODO in English 0551 GMT 22 Feb 90

[Text] Tokyo, Feb. 22 KYODO—The United States urged Japan on Thursday to raise public investment to 10 percent of its gross national product from the current 7 percent, a measure which it said would improve living standards, according to Japanese Government sources.

The U.S. suggestion was made at the start of a two-day bilateral meeting on structural impediments to trade and investment in both countries.

The Japanese response to the suggestion was not immediately known.

The issue was taken up as part of discussions on Japan's savings and investment balance, in which the U.S. argued that the high Japanese savings rates restrain consumer spending on goods, including imports, the sources said.

They said U.S. delegates stressed in their opening remarks the importance of achieving "progress" out of their bilateral approach under the so-called structural impediments initiative (SII).

Japanese trade officials, for their part, vowed to make "utmost efforts" to address the issues raised under the SII talks.

The U.S. side is led by Deputy U.S. Trade Representative Linn Williams, Undersecretary of State for Economic and Agricultural Affairs Richard McCormack, and Charles Dallar, assistant treasury secretary of international affairs.

Japan is represented by Koji Watanabe, deputy foreign minister, Makoto Utsumi, vice minister of finance for international affairs, and Naomichi Suzuki, vice minister for international affairs at the Ministry of International Trade and Industry.

'Point' System for Machine Tool Exports Accord

OW1502184590 Tokyo KYODO in English 0931 GMT 15 Feb 90

[Text] Tokyo, Feb. 15 KYODO—Japan and the United States have agreed to introduce a new monitoring system to closely check Japanese exports of machine tools and their parts to the U.S., government sources said Thursday.

The agreement was reached during two-days of talks earlier this week in Tokyo on a five-year voluntary restraint agreement on machine tool trade. The agreement has been in effect since January 1, 1987.

Based on their agreement, the two countries will introduce in April the "point" system under which key parts of some Japanese-made machine tools will bear a point. The system will help determine whether or not the product is counted as a Japanese good.

The sources refused to specify how many points will determine if a good is Japanese made. Japan now claims a 50 percent share of the U.S. machine tool market.

The introduction of such system will enable the U.S. to track down the flow of Japanese-made products into the U.S., where American machine tool makers continue to fight for survival, the sources said.

Since the implementation of a bilateral accord in 1987, however, American machine tool producers are gaining strength, thanks to government assistance in their development projects, they said.

The point system will also make it easier for Japanese makers to know how much they need to control machine tool exports.

The volume of U.S. imports of Japanese-made machine tools is determined every year by the U.S. side to reflect local market conditions.

Aside from the point system, Japan has agreed to cooperate in strengthening overall U.S. industrial competitiveness.

Details will be discussed when U.S. Commerce Secretary Robert Mosbacher visits Japan in March or in April, the sources said.

Lumber Talks With U.S. End Without Progress

OW2202010590 Tokyo KYODO in English 1231 GMT 20 Feb 90

[Text] Tokyo, Feb. 20 KYODO—Japan and the United States ended two days of talks Tuesday without making progress toward an accord on lumber trade, one of three trade areas cited by the U.S. for possible sanctions.

The talks have focused on the difference between Japanese and U.S. construction standards but the U.S. side did not make any specific demand for changes in Japanese regulations, informed sources said.

The U.S. is investigating allegations that Japan's lumber market is deliberately blocking the entry of U.S. lumber products. U.S. officials are also conducting similar probes of the satellite and supercomputer markets.

The U.S. is expected to announce the results of its investigations in June before it decides whether to officially impose trade sanctions under the so-called "Super 301" clause of the 1988 U.S. trade act.

The talks were more like a question-and-answer session than a governmental meeting: Japan's Construction Ministry spent time briefing a U.S. building association about Japanese construction standards, according to one Japanese official who attended the meeting.

Members of the association, the International Conference of Building Officials (ICBO), have been attending a series of meetings between the two governments on the lumber issue since late last year, the official said.

The ICBO members asked a number of technical questions regarding fire prevention standards and other details of Japan's regulations, the official said.

Japanese and U.S. Government officials are to meet again in March or April.

U.S. Demands Bigger Access to Legal Market

OW2102122090 Tokyo KYODO in English 0949 GMT 21 Feb 90

[Text] Tokyo, Feb. 21 KYODO—The United States repeated its demand Wednesday that Japan rescind its limitations on the activities of foreign lawyers operating in the country to allow them greater access to the Japanese legal field.

In a two-hour meeting at the Justice Ministry, Linn Williams, deputy United States trade representative, reiterated the U.S.'s five-point requirement to Vice Justice Minister Yasutaka Okamura, urging Japan to cancel the ban on foreign legal experts hiring Japanese lawyers and on contracting partnerships for joint law firm management, both of which prevent foreign lawyers from engaging in Japanese law services in Japan.

The U.S. also asked Japan to consider letting foreign lawyers work as legal agents in civil and commercial law, ministry official Keiichi Tadaki said.

Another U.S. request urges Japan to give permission to foreign lawyers here to use the name of the law firm for which they work in their own country, he said.

Japan started to allow foreign lawyers to work in Japan, specializing in their own national laws mainly to give knowledge of foreign laws to the Japanese in a law enacted in April 1987 under U.S. pressure. There are currently 65 foreign legal experts working in Japan, comprising 46 Americans, 18 Britons and one French lawyer. Nine more foreign lawyers have consulted with the ministry about possible entry, he said.

Tadaki said the U.S. delegation, including officials from the Departments of Justice and Commerce, also asked that foreign lawyers be allowed to count the period of years worked as a trainee in Japan under either Japanese or foreign law when applying for permission to work here.

Currently, Japanese law requires applicants have five years of experience working as a lawyer in their own country.

U.S. Trade Representative Carla Hills proposed the five-point deregulation proposal when she met Justice Minister Masao Goto in November in Tokyo.

The Japanese side, which included a senior Foreign Ministry official, responded with a "positive attitude" to review "various problematic aspects" for foreigners of the current law, Tadaki said.

The official said both sides agreed to keep negotiations on a business level, with the U.S. giving specific cases of inconvenience in legal works in Japan.

Tadaki said U.S. lawyers have said the name-use restrictions are especially inconvenient as they have to register name changes for bank deposits and room rents whenever one lawyer is replaced by another from the same firm.

Admitting the possibility of future law amendments, however, the official said the ministry is ready to deal with inconveniences by operating the law more flexibly. He did not elaborate.

Tadaki, who was at the meeting, also said the Japanese and the U.S. side agreed that aside from Tokyo-Washington talks, they would encourage talks between the Japan Federation of Bar Associations and lawyers' representatives of the U.S.

Japan is open to foreign applicants for its national lawyers' qualification tests, which is considered extremely difficult and a cause of U.S. complaints, Tadaki said.

He also said he feels over the negotiation table there exists a sort of cultural gap between Japan, where lawyers are regarded as a "select elite" working independently, and the U.S., where lawyers run big law firms and do active business.

Firm To Buy Two Satellites From U.S.

OW2102183590 Tokyo KYODO in English 1138 GMT 21 Feb 90

[Text] Tokyo, Feb. 21 KYODO—Satellite Japan Co. said Wednesday it will quadruple its capital to 400 million yen by March 12 to prepare for the start of its business in 1993.

The company, a joint venture among Nissho Iwai Corp., Sony Corp. and other firms, said Nissho Iwai will replace Sony as its largest investor when its capital is increased.

Reiichi Yoshimoto, an executive of Nissho Iwai, will be elected new president of Satellite Japan, replacing Masahiko Morizono of Sony, who will resign, the company said.

Satellite Japan plans to purchase two communications satellites from General Electric Co. of the United States for use in its business.

The company is the third such enterprise to enter the market.

The Posts and Telecommunications Ministry changed its earlier stance and decided to license Satellite Japan when the company filed a formal application for approval of its business.

Two competitors have already been licensed by the ministry.

Aquino Speaks at Economic Cooperation Meeting

OW2202010790 Tokyo KYODO in English 1205 GMT 20 Feb 90

[Text] Manila, Feb. 20 KYODO—Philippine President Corazon Aquino assured Japanese investors Tuesday that despite the failed December 1 to 9 coup attempt on her government, foreign investments in the Philippines are safe.

She also stressed that her government has instituted measures to improve the investment climate in the country. Among these are the creation of a congressional body to shape policies that will improve the investment environment, improvement of infrastructure, and provision of incentives for investors, she said.

"Despite recent events that cast doubts among members of the international community in this country's ability to sustain the country's growth, allow me to assure every investor that your investments are safe here," she told participants in the 13th joint Philippine-Japan Economic Cooperation Committee at the presidential palace.

Earlier in the day, the Japanese participants in the meeting urged the Philippine Government to counteract the effects on investments of the bloody coup bid by instituting measures that would make Manila a more attractive investment center.

Among the measures called for by the Japanese side in the joint communique at the close of the two-day 13th joint meeting of the Japan-Philippines Economic Cooperation Committee were: consistency in foreign investment policy, especially in basic industries such as automotive manufacturing, and ratification of the multilateral investment guarantee agreement, which would cushion investments from risks.

The Japanese business leaders also asked the Philippine public sector to streamline licensing procedures, to raise the credit ceiling for operating funds in pesos to prop up export-oriented companies, and to optimize development aid for export industries.

More and diversified investments in the Philippines in large-, medium-, and small-scale ventures was also projected by the Japanese side.

Shinroku Morohashi, cochairman of the joint meeting, told a press conference that, "with the December incident, I can not deny there has been some impact in our investments in the Philippines."

He said, however, that Japanese businessmen were "very much encouraged to note" the improved investment climate in the country as a result of cooperation between the private and public sectors.

The Filipino participants, for their part, urged Japan to increase investments, official development assistance and technology transfer to the Philippines, and assured the Japanese businessmen that the bloody December coup was a "minor incident."

They also asked Japan to open its market to Philippine labor.

LDP Formally Confirms Three Key Officers

OW2202080790 Tokyo KYODO in English 0516 GMT 22 Feb 90

[Text] Tokyo, Feb. 22 KYODO—The Liberal Democratic Party (LDP) on Thursday approved the retention of Ichiro Ozawa in its second most powerful position, secretary general.

The ruling conservative party took the decision officially at a session of its decision-making Executive Council.

The post of secretary general ranks second-highest only after the party presidency currently held by Prime Minister Toshiki Kaifu.

Ozawa is a key member of the largest LDP faction led by former Prime Minister Noboru Takeshita.

The council also named former Agriculture, Forestry and Fisheries Minister Mutsuki Kato as chairman of the Policy Affairs Research Council and former Education Minister Takeo Nishioka as chief of the Executive Council.

Kato, who replaces Hiroshi Mitsuzuka, belongs to the second-ranked faction led by former Foreign Minister Shintaro Abe.

Nishioka, who succeeds Shunziro Karasawa, comes from the LDP's third-largest faction headed by former Finance Minister Kiichi Miyazawa.

Analysts Predict No Coalition Due to JSP Gains

OW2102025890 Tokyo KYODO in English 1030 GMT 19 Feb 90

[Text] Tokyo, Feb. 19 KYODO—The big gains achieved by the Japan Socialist Party (JSP) in Sunday's election may do away with the possibility of a four-party opposition coalition.

Komeito and the Democratic Socialist Party (DSP), two opposition parties which both sustained losses in the election, said the larger confrontation between the ruling Liberal Democratic Party (LDP) and the JSP had stolen voter attention from the "good" policies of the smaller parties.

In the election, the LDP won a comfortable majority of 275 seats, while the JSP increased its strength from 83 to 136 seats. But the Buddhist-backed Komeito lost nine seats to 45 and the middle-of-the-road DSP took only 14, 11 less than its pre - election total.

Komeito Chairman Koshiro Ishida said the attention focused on the LDP-JSP confrontation over the 3 percent consumption tax and political reform hindered his party in presenting its policies to the electorate.

Political analysts said Komeito and the DSP would pursue their own policies now rather than seek to become part of a united opposition block.

In an attempt to form a four-party coalition, leaders of the JSP, Komeito, the DSP and the United Social Democratic Party (USDP) began talks in Kyoto in April last year on four key policy areas—the Japan-U.S. Security Treaty, the Self-Defense Forces, the two Koreas and nuclear power stations.

But the four parties had still failed to agree on a policy platform when the Lower House was dissolved last month for the election, a factor which USDP leader Satsuki Eda said after the election was the main reason for the LDP's victory.

But JSP Chairwoman Takako Doi later called on the four parties to "continue to unite" to bring about a coalition government.

Analysts, however, see little likelihood of a coalition government being possible in Japan's prevailing political climate.

Final Table of Votes Won by Parties

OW2102030890 Tokyo KYODO in English 0744 GMT 19 Feb 90

[Text] Tokyo, Feb. 19 KYODO—Following is the final table of votes won by parties in the general election for the House of Representatives as of 4:30 p.m. Monday [0730 GMT 19 Feb].

Parties	Number of Votes	Share (PC)	Share in 1986
LDP [Liberal Democratic Party]	30,315,410	46.14	49.42
JSP [Japan Socialist Party]	16,025,468	24.39	17.23
Komeito	5,242,674	7.98	9.43
JCP [Japan Communist Party]	5,226,985	7.96	8.79
DSP [Democratic Socialist Party]	3,178,949	4.84	6.45
USDP [United Social Democratic Party]	566,957	0.86	0.83
Progressive Party	281,793	0.43	
Minor Parties	58,534	0.09	2.04
Independents	4,807,520	7.32	5.81
Total	65,704,290	100.00	100.00

Table Shows New Factional Strength in LDP

OW2102034690 Tokyo KYODO in English 1034 GMT 19 Feb 90

[Text] Tokyo, Feb. 19 KYODO—Following is a table of new factional strength in the Liberal Democratic Party [LDP] in both houses of the Diet (figures in brackets indicate strength at the time of Lower House dissolution):

Factions	House of Representatives	House of Councillors	Total
Takeshita	69 (71)	35	104
Abe	62 (55)	24	86
Miyazawa	62 (61)	21	83
Nakasone	50 (60)	17	67
Komoto	26 (24)	7	33
Nikaido	4 (9)	1	5
Nonaffiliated	13 (15)	4	17
Total	286(295)	109	395

Consumption Tax Amendment Meets Resistance

Hashimoto Opposes Further Revision

OW2102034890 Tokyo KYODO in English 1355 GMT 19 Feb 90

[Text] Tokyo, Feb. 19 KYODO—Finance Minister Ryutaro Hashimoto Monday indicated his opposition to further revision of the ruling Liberal Democratic Party (LDP)'s consumption tax amendment plan.

Hashimoto made his view clear in a press conference when commenting on the suggestions made by some LDP leaders after Sunday's general election for a further modification of the party's consumption tax revision plan.

Shin Kanemaru, former deputy prime minister, proposed earlier in the day that the LDP and opposition parties should compromise as soon as possible on the consumption tax issue. He stressed that the issue is of utmost importance in the current political climate.

Hashimoto said the current revision plan has been drawn up as the best one under present circumstances.

He said that a comfortable majority which the (LDP) won in Sunday's House of Representatives election shows that the people's understanding has been obtained on the tax.

Prime Minister Toshiki Kaifu said he interprets the stable majority which the LDP has gained in the election as representing the people's approval of the LDP's consumption tax revision plan.

Eiichi Nagasue, chairman of the Democratic Socialist Party, said in a postelection press conference that the opposition stance toward abolishing the tax remains unchanged. However, the settlement of the issue amid conflicting calls for abolition and revision of the consumption tax system would require consultations among the parties involved, he added.

Ozawa on Talks With Opposition

OW2202010390 Tokyo KYODO in English 1108 GMT 20 Feb 90

[Text] Tokyo, Feb. 20 KYODO—Liberal Democratic Party (LDP) Secretary General Ichiro Ozawa proposed Tuesday that ruling and opposition parties hold talks without any precondition to iron out differences over the unpopular 3 percent consumption tax.

Opposition leaders, although renewing their call for abolishing the indirect tax, responded positively to Ozawa's proposal for dialogue.

Ozawa and his counterparts from five opposition parties were speaking at a joint press conference at the Diet press club on Tuesday, two days after Japanese voters cast ballots in a general election.

The LDP won 275 out of 512 seats at stake and boosted its strength to 286 by recruiting 11 conservative independents. The Japan Socialist Party (JSP) also posted major gains, increasing its strength to 136 seats from 83 at the time of the House of Representatives dissolution January 24.

Attending the press conference were Ozawa, Tsuruo Yamaguchi of the JSP; Yuichi Ichikawa of Komeito; Takashi Yonezawa of the Democratic Socialist Party (DSP); Mitsuhiro Kaneko, secretariat chief of the Japan Communist Party (JCP); and Shogo Abe, secretary general of the United Social Democratic Party (USDP).

Yamaguchi proposed talks between the parties to discuss how to correct the country's tax system after stopping the collection of the consumption tax.

Yonezawa urged the LDP to present a bold compromise plan for the consumption tax, saying business in the Diet could come to a standstill because the second chamber, the House of Councillors, is under opposition control.

Yamaguchi said the JSP will ask other opposition parties to vote for JSP leader Takako Doi in the prime ministerial election in the upcoming special session of the Diet.

The DSP's Yonezawa and JCP's Kaneko were negative to the idea, saying their parties do not always support the JSP.

Commission Investigates Firms for Bid Rigging

OW1502185590 Tokyo KYODO in English 0837 GMT 15 Feb 90

[Text] Tokyo, Feb. 15 KYODO—The Fair Trade Commission (FTC) said on Thursday that it has investigated 20 telecommunications equipment suppliers on suspicion of bid-rigging regarding a construction project at the U.S. air base in Yokota, west of Tokyo.

It was the first such investigation involving the construction work at Yokota, after U.S. Sen. Frank Murkowski (R - Alaska) had disclosed this suspicion last November.

The firms in question, including NEC Information Technology Ltd., a subsidiary of NEC Corp., had reportedly agreed on who would be the successful bidders and contract prices prior to the actual bidding.

FTC officials also suspect that the companies were guilty of bid-rigging in other cases.

Nobuyuki Murakami, General Affairs Department manager at NEC Information Technology, denied the suspicions.

He said that the company has done maintenance work at Yokota Base since 20 years ago, and that there are informal social gatherings of industry people but no rigging.

The FTC last year warned 140 Japanese construction firms who were accused of similar practices between 1984 and 1987 at concerning contracts at U.S. Yokosuka Base. [sentence as received]

The companies later paid 4.7 billion yen compensation to the U.S. Navy.

Observers said the new suspicions of bid-rigging may put Japan under strong pressure from the U.S. in the Structural Impediments Initiative (SII) talks scheduled to reopen in Tokyo on February 22.

Mongolia

Batmonh To Offer Resignation If Necessary

LD2202094490 East Berlin ADN International Service in German 0839 GMT 22 Feb 90

[Text] Ulaanbataar (ADN)—The Mongolian state and party leader, Jambyn Batmonh, offered the Central Committee and government resignations if this proves necessary. This was the Mongolian People's Revolutionary Party Central Committee general secretary's

reaction, in a radio and television address published today, to a petition approved at the Mongolian Democratic Federation (MDF) Federal Congress and sent to the party. The party will have to decide the Central Committee's fate: The parliament will have to decide the government's future. In its petition, the MDF demanded the resignation of the Council of Ministers and the dissolution of the parliament, "which have been directly appointed by the Central Committee of the ruling party and which have not warranted the people's trust." The accusation was made that the Central Committee "is obstructing the revolutionary perestroyka."

The party leader advocated plurality of opinion and repeated the statement on the subject of the multiparty system, made by the program commission which he leads. Such a system would not be negated in the new draft program. In his speech he admitted that the tempo of reshaping the political system is slow. Demands in particular for democratization of society and for renewal of the party iself, for a state under the rule of the law, and for genuine people's power in the true sense of the word would be strictly implemented in society.

Report on First Constituent Congress of MDA

OW2202080390 Ulaanbaatar International Service in English 0910 GMT 19 Feb 90

[Report by correspondent (Narumdyaa) from the first constituent congress of the Mongolian Democratic Association held in Ulaanbaatar on 18 February]

[Text] The informal organization, the Mongolian Democratic Association, MDA, founded just more than two months ago, held its first constituent congress. In (?opening) the forum, chief coordinator of the MDA, Mr. Dzorig, expressed the hope that the congress will makes its contribution to consolidating the efforts of Mongolian people in revolutionary construction.

According to the credentials commission of the congress, it was attended by 610 delegates, representing 101 affiliates of the MDA and branches of Mongolian students studying abroad. Present at the congress were 144 delegates from places where branch affiliates of the organization are in the process of formation. The average age of the congress delegates was 29 years. Thirteen percent of them are members of the ruling Mongolian People's Revolutionary Party [MPRP], and 70 percent are Revsomol [Mongolian Revolutionary Youth League] members.

Member of the MDA Coordinating Council Sosorbaram, addressed the congress with a political report, in which he said in part: The MDA regards the creative and harmonious free development of individuals and people as the key motive force of the society's progress and flourishment. But the ruling party regards the completion of the construction of the material-technological base as the principal guideline of building socialism. We define reconstruction as a genuine democratic revolution which can be fully carried (?out) only by the people. The ruling party regards reconstruction as a slow evolution and has thus begun the perestroyka with economic renewal. The party and state leadership has consistently adhered to the stance that the key forces of carrying through these reforms are ministries, factory administrations, and primary party organizations. We perceive all these as the main reason of the overall slow rate of the reconstruction process.

The MDA comes out for the destruction of the command administrative political system and absolute monopoly of one party, the creation of a genuinely democratic and multiparty political system, the establishment of people's self-government and a democratic law-governed state, while striving to enter into a political dialogue with the party and state leadership in these directions, underlined Sosorbaram, member of the MDA Coordinating Council in the political report to the congress.

After the political report, the platform of the MDA, the rules and supplementary reports on the Constitution and other laws of Mongolia, on the celebration of the 80th anniversary of the 1911 Mongolian independence, and on religion were read aloud at the congress. Afterward, general debate began.

The speakers strongly condemned red tape and injustice in the agricultural, industrial, cultural, and arts fields. At the constituent congress the founding of a new political party, the Mongolian Democratic Party, was announced, the decision on which was taken the previous day, on 17 February, at a plenum of the MDA.

During the break, our correspondent met with some of the members of the coordinating council of the MDA. One of the members said: I am (Battogtuhyn Enhtush), a member of the coordinating council. I am a lawyer by profession. This congress has been much more representative than I thought and people took an active part in it. A fairly meaningful political report has been presented. The political platform and the rules of the MDA have been approved. The newly founded party comes under the MDA, and it is small and is a kind of political laboratory.

Mr. Dzorig, chief coordinator of the MDA, said: I am Sanjaasurengiyn Dzorig. I am 27 years old. I am a lecturer in scientific communism. I have been teaching at the Mongolian State University over the last three years. I am a postgraduate at the State University working on the theme of streamlining the political system of the Mongolian People's Republic. Today a major event is being held in the political life of Mongolia. The foundations for the establishment of our multiparty system have been laid today, the practical basis of which is the founding of the Mongolian Democratic Party.

The MDA at its congress report announced that it will work to drastically improve the living standards of the people. For example, it plans to bring the wages of the herdsmen to 1200 tugriks and the average pension ratio

to 500 tugriks. The Mongolian Democratic Party will not charge fees from its members and seek financial aid from the state.

The reaction to this was diverse. Some displayed keen interest while some others expressed doubt as regards this statement.

Answering to the question of how the MDP plans to finance its activities, chief coordinator of the MDA, Mr. Dzorig, said: Contributions from the party members and the profit of the cooperative we are going to establish at the association will be the financial basis of our party. We plan to establish contact with the world democratic organizations, from which we hope to receive aid (?in the present conditions). In the future when we become independent we will render assistance to other democratic associations, said Dzorig.

The congress of the MDA was addressed by delegates of several other voluntary organizations set up to promote the acceleration of the forces of renewal. It was obvious that they are united by the common goal of developing the Mongolian state, expanding democracy, and improving the living standards of the people. However, the ways and methods of conducting political and economic undertakings are different.

It was announced that a new draft constitution is being worked out and will soon be discussed nationwide. Alongside this, draft laws on political parties and freedom of press will soon be completed and published for nationwide discussion. The congress of the MDA approved a petition to the People's Great Hural of Mongolia and the MPRP Central Committee and appealed to the nation calling to support the ideas of the congress.

It can be said that the main outcome of the congress is that the foundation of a multiparty system has been laid. On the other hand it has demonstrated the growing political activity of the people. However, many speakers noted that the report delivered at the congress of the MDA, the guidelines of the MDP, and economic renewal they plan to carry out are not sufficiently substantiated and need to be further refined so that they will win popular approval.

Article Proposes PRC Port for Foreign Trade

OW1602020890 Ulaanbaatar MONTSAME in Russian 1448 GMT 7 Feb 90

[Text] Ulaanbaatar, 7 Feb (MONTSAME)—The question of whether or not Mongolia has an opportunity to access the sea continues to be discussed in the newspaper UNEN. The discussion began with an article by well-known writer Londongiyn Tudeb, "Mongolian Seaman in the Pacific Ocean," published in the same newspaper last year. In it the author raises the possibility of our country's access to the world's oceans.

Today's UNEN carries a signed article entitled "The Closest Way To Reach the Sea." Today the Mongolian People's Republic [MPR] is pursuing an open economic policy and searching for ways to develop economic relations and cooperation with (?Asian and) Pacific countries. At this time the question of its access to the sea via the shortest route acquires great topicality, the author says. He believes this route could be provided by Xingang Port in Tianjin (PRC). In its trade with Asian and Pacific states, Mongolia mainly uses the Soviet port of Nakhodka, which is 4,032 kilometers from its border, resulting in considerable (?transit) and transport expenses. By using Xingang Port, this distance will be decreased by a factor of four while transport costs will decrease by a factor of three. Some time ago during the 1960-67 period, the MPR already carried on trade with Japan through Xingang Port. Normalization of relations between the MPR and PRC and development and expansion of bilateral cooperation in all spheres of life create good conditions for reviving the previous practice.

The author considers it expedient to establish a joint Mongolian-Chinese water transport company. Establishment of this kind of company, which would operate totally on a cost accounting basis, would become a completely new form of cooperation between Mongolia and China, the article emphasized.

North Korea

U.S. Officials Assailed for Positions on Troops

Gregg Comes Under Fire

SK2202061290 Pyongyang KCNA in English 0507 GMT 22 Feb 90

["Height of Hypocrisy and Impudence"—KCNA headline]

[Text] Pyongyang February 22 (KCNA)—U.S. Ambassador to South Korea Gregg told local underlings of the traitor No Tae-u in Taegu February 19 that the United States would not withdraw its troops from South Korea as long as South Korea wanted their presence.

This clearly shows the ugly color of the U.S. ruling quarters who perform all sorts of tricks to justify the U.S. military occupation of South Korea, stresses MINJU CHOSON in a signed commentary today.

It says:

Bush and other U.S. rulers are these days claiming more blatantly than ever before that they could not withdraw or reduce the U.S. troops in South Korea.

It is the invariable ambition of the U.S. ruling quarters to realise their aggressive designs on the whole of Korea and Asia with South Korea as the military bridgehead

and forward nuclear base. That is why the U.S. imperialists are aggravating the situation on the Korea peninsula to the extreme pitch of strain and stepping up war preparations while maintaining their occupation forces. Even this moment, they are staging "Team Spirit" joint military maneuvers, watching for a chance to ignite a nuclear war.

It is the height of hypocrisy and impudence for them to describe their occupation of South Korea as something for "peace" while crying for "security" on the Korean peninsula.

They must discard the ridiculous sophism and immediately pull their aggression forces including nuclear weapons out of South Korea.

Cheney Accused of 'Sophism'

SK2202071790 Pyongyang Domestic Service in Korean 0024 GMT 22 Feb 90

[NODONG SINMUN 22 February commentary: "The United States Should Not Make Absurd Assertions"]

[Text] The U.S. imperialists are more shamelessly resorting to absurd sophism to avoid withdrawing U.S. troops from South Korea. Cheney, U.S. defense secretary, who crawled into South Korea recently and had a conference with traitor No Tae-u, raved that a threat of someone who is strong and hostile continues on the Korean peninsula. He also said that he felt it necessary to continue with the U.S. defense commitment to South Korea.

Prior to this, Powell, chairman of the U.S. Joint Chiefs of Staff, had raved that we maintain a frightening military strength, and Menetrey, commander of the U.S. forces in South Korea, raved that a balanced reduction of military strength between the North and South should be made as a precondition to reducing the U.S. forces.

Summing up these outbursts, we note that they meant to say that we have superior military strength and that, therefore, unless a reduction in arms and parity is achieved in the military strength of the North and South, U.S. troops cannot be withdrawn from South Korea. This is absurd and nonsensical sophism.

The South Korean puppet Armed Forces consist of about 1 million troops. However, our military strength is not more than half of them. Moreover, there is not even one foreign troop or one nuclear weapon in the North, but there are some 40,000 U.S. troops and no less than 1,000 nuclear weapons deployed in South Korea. Besides, as shown by the "Team Spirit" joint military exercises, the U.S. forces deployed in mainland Japan, Okinawa, the Philippines, and Guam are mainly armed forces of aggression aimed against the Korean peninsula.

It is, in fact, not the North but the South and the United States that maintain a frightening military strength on the Korean peninsula. Distorting this stern fact, they raved that the North's military strength is superior to that of the South and that the U.S. troops cannot be withdrawn because of that. This is nothing less than to say that the U.S. troops will not be withdrawn in the future, either.

The U.S. imperialists raved that because the North's military strength is superior to that of the South, a balanced reduction of military strength should come about between the North and South, thus presenting this as a precondition to reducing the U.S. troops in South Korea. Then the question arises as to why they should turn away from our reasonable arms reduction proposal. A few years ago we put forward a proposal for a large-scale phased arms reduction between the North and South, and we have been making every sincere effort to realize it by unilaterally reducing 100,000 troops. However, the United States is turning away from our proposal. If the United States had responded to our arms reduction proposal and if that proposal had been realized, a balanced arms reduction between the military strength of the North and South would have already been achieved. The United States itself was the ringleader in blocking the way to arms reduction in Korea and prevented a balanced reduction of the military strength between the North and South. Nevertheless, they put forward a balanced reduction of the military strength between the North and South as a precondition for a total U.S. troop withdrawal. This shows well what shameless occupiers they are.

It is absurd that they should claim that a balanced reduction of military strength between the North and South must be a precondition for U.S. troop withdrawal. To realize arms reduction in Korea and ensure durable peace there, the U.S. troops should be withdrawn, because under the condition in which the state of U.S. occupation of South Korea is maintained, the danger of war will continue to remain in Korea, nor can an atmosphere for trust be provided between the North and South.

It is clear that the U.S. imperialists are making an absurd excuse to avoid the U.S. troop withdrawal from South Korea and to prevent a balanced reduction of military strength between the North and South from being achieved forever so as to continuously aggravate tensions in Korea.

However, this attempt by the United States will never be realized. It is the demand of the times that the U.S. forces should be withdrawn. The United States should not make mean, absurd assertions but take steps as soon as possible to withdraw the U.S. forces from South Korea.

U.S. Aerial Exercise Increases 'Danger of War'

SK2102153990 Pyongyang KCNA in English 1518 GMT 21 Feb 90

[Text] Pyongyang February 21 (KCNA)—The U.S. imperialists on February 20 introduced formations of "F-16" fighter-bombers from their aggressive bases in

the Pacific into the air above South Korea to stage an aerial war exercise simulating preemptive strikes at ground and naval targets of the northern half of Korea, according to military sources.

On the same day the Pacific Air Force Command of the U.S. imperialist aggression forces brought formations of Iwakuni-based "F/A-18" pursuit-assault planes from Japan to the sky above the operational zone of South Korea to stage a joint exercise for strikes at ground targets with formations of "F-16" fighter-bombers belonging to the U.S. Seventh Air Force present in South Korea.

The U.S. imperialists brought one after another into South Korea formations of "AV-8" vertical take-off and landing planes and "A-6" assault planes from their bases of aggression abroad on February 19 and 20 to hold aerial war exercises against the northern half of Korea.

At the same time, they are massively airlifting their aggressor troops, combat equipment and materials to be hurled in the "Team Spirit-90" maneuvers from the U.S. mainland and their bases in Hawaii, Guam, Japan and the Philippines. The number of the "C-12," "C-130" and "C-141" large transport planes mobilized on February 19 and 20 alone was over 30.

The danger of war on the Korean peninsula is increasing with every passing day due to their frenzied war maneuvers.

U.S.-Japan Anti-Submarine Exercises Denounced

SK2102123090 Pyongyang KCNA in English 1014 GMT 21 Feb 90

[Text] Pyongyang February 21 (KCNA)—MINJU CHOSON today denounces the joint anti-submarine exercise staged by the Japanese maritime "Self-Defence Force" and the U.S. Navy in the waters between Kyushu and Okinawa islands of Japan as a madcap demonstration of strength keying up the situation in the Asia-Pacific region.

The news analyst says:

The U.S. and Japanese reactionaries are giving spurs to strengthening the relations of military alliance and jointly rounding off war preparations. The U.S.-Japanese joint military exercises are a main link in these preparations.

The U.S. and Japanese reactionaries are staging joint war games one after another this year. It can not go unnoticed that the U.S.-Japanese joint military exercises are furiously staged in the area similar to the terrain conditions of our country or in the waters near the Korean peninsula, timing to coincide with the aggressive "Team Spirit" joint war manoeuvres.

The U.S. imperialists, unable to openly hurl the Japanese "Self-Defence Forces" (SDF) into the "Team Spirit" joint war games, have staged the joint military exercise of the U.S. Navy and Japanese Maritime "Self-Defence Force" in the waters near the Korean peninsula, in a bid to let the Japanese "SDF" acquire the "Experience" of the "Team Spirit" and increase the actual war capacity for a new war of aggression on Korea.

And the Japanese reactionaries are following the U.S. imperialists' policy of war in an attempt to realise their old dream of the "Greater East Asia Coprosperity Sphere."

The Korean people and the world peaceloving people are heightening vigilance against the moves of the U.S. and Japanese reactionaries along the orbit of war. They must stop their adventurous war manoeuvres.

Statement Blames South for Breakdown in Talks

SK2202072390 Pyongyang Domestic Service in Korean 1220 GMT 21 90

[Statement by the North side's delegation to the North-South sports talks to form a single team, read by Kim Hyong-chin, head of the North side's delegation at a press conference with reporters at home and abroad at the People's Palace of Culture on the afternoon of 21 February—recorded]

[Text] The North-South sports talks, which had discussed the issue of North-South participation in the 11th Asian Games as a single team amid the great attention of sportsmen from the North and South and all the fellow countrymen, have been driven into a crisis of breakdown. In its 8 February statement, the South side unilaterally declared that the North-South sports talks to discuss participation in the 11th the Asian Games as a single team have broken down and that, as a result, no the single team can be formed.

After concluding discussions on the formation of a single team since the talks began in March last year, the talks have been driven into a crisis of breakdown at the final stage, in which we can proclaim to the world that a single team will not be formed. This is totally because of the unjust stand of the South side, which does not want the formation of a single team.

As is well known, for almost a year, our side has made every sincere effort to make the North-South sports talks succeed. These talks were arranged after a long lapse of time, out of a single desire to participate in sports games in the nineties as a North-South single team. A single team is desireable because it would display national wisdom throughout the world and open a shortcut to reunification, bringing an end to past practices in which the fellow countrymen competed against each other to decide victories or defeats in the sports field. From the very beginning, however, the South side, not interested in forming a single team, delayed the talks. Also, determined to foil the formation of the single team under the pretext that it had no time, the South side tried every means and method to this end.

In the nine full-dress talks and six working-level contacts, the South side did not once back down on its proposals and demands. Also, when we accepted its proposals, the South side revised its original proposals and advanced different proposals. When we accepted them too, it again put forth different issues, thus creating obstacles to delay the discussions on issues and to avoid entering into an agreement. This can be proved merely by the fact that, after four times revising its basic proposal for the formation of the single team, a proposal that consists of 10 clauses and 35 sub-clauses, the South side significantly increased the number of the sub-clauses to 78, which resulted in complicating the discussions of the issues. Moreover, the South side systematically reversed even issues that were agreed on in the talks and put forth unnecessary issues of dispute, thereby deliberately delaying discussion of issues. Also, even when a complete agreement was reached on the 10-clause basic proposal on the formation of a single team and participation in the games as a single team, the South side groundlessly asserted that no agreement was reached.

Nevertheless, out of a desire to meet the nation's expectations by forming a single team at all costs, our side continued to persevere and tried to reach an agreement. As a result of such sincere efforts on our side, complete agreement was reached on the 10-clause proposal for the formation of a single team and on the sub-clauses on the formation and operation of joint steering committees for the single team in the sixth talks on 22 December last year. As a result, good prospects were opened, so that if the working-level delegates of both sides had gotten together and drafted the letter of agreement, this letter of agreement could have been signed in the seventh talks on 18 January, thereby declaring the birth of a single North-South team throughout the world. This agreement was a great success, unprecedented in the almost-30-year history of the North-South sports talks. The agreement would have been a valuable result and given all the fellow countrymen, who would mark the nineties, new hope and confidence in national unity and reunification.

When the South side could not avoid forming a single team any longer, in order to foil the formation of the single team at all costs, in the fourth contact of working-level delegates on 10 January—10 days before the date when the letter of agreement was scheduled to be signed—the South side trampled even the two sides' agreement to draft the letter of agreement and issued new supplementary rules that consist of no fewer than 37 clauses. It also groundlessly asserted that unless this is discussed first, the letter of agreement cannot be drafted or signed. The supplementary rules which the South side newly put forth cover issues of North-South sports exchange, including goodwill games and the exchange of teams to inspect facilities. They comprise issues that are irrelevant to the mission of the current sports talks or issues that, it was agreed, will be discussed and solved in a joint committee for the single team that will be formed in the future.

In the supplementary rules, the South side proposed that a letter be sent to the Beijing Asian Games Organizing Committee and the Olympic Council of Asia that says that the North and South will participate in the games as separate teams if no single team is formed. The South side advanced this proposal on the assumption that the formation of a single team will be foiled. This is a very provocative proposal that makes a mockery of all the fellow countrymen, who earnestly desire the birth of a single team, and makes a mockery of the partner in dialogue.

The South side advanced an extravagant proposal called supplementary rules, thus making no progress in two rounds of full-dress talks and two rounds of working-level contact. This drove the North-South sports talks, in which discussions on the basic issues had ended and in which only the signature of the letter of agreement had been left, into a crisis of breakdown.

The South side more openly instituted maneuvers to frustrate the sports talks to form a single team outside the site of the talks. On 11 November last year, the South Korean Olympic Committee convened a Standing Committee session and adopted a decision to cancel the talks if no conclusion is made on the formation of the single team before the end of the year. On 8 January this year, the chairman of the South Korean Olympic Committee told reporters that South Korea may do worse if it participates in the games as a member of a single team than it would do as a separate team. In this way, he absurdly and openly opposed the formation of the single team. Moreover, on 31 January, in a report on sports affairs, the South Korean minister of sports even openly said that he was preparing for participating in the 11th Beijing Asian Games as a separate team, not a member of a single team. At a time when the North-South sports talks to form a single team were taking place on one hand, they openly babbled on the other that they opposed the formation of the single team and would participate in the games as a separate team. This is a virtual declaration that the formation of a single team was frustrated and that the North-South sports talks broke down. Under these circumstances, out of a single desire to save the talks from danger and to form a single team at all costs, in the ninth talks on 7 February, our side presented to the South side the three-point principled proposal that said the two sides should agree to participate not as separate teams but as a single team under any circumstances, and that they should declare this at home and abroad. The proposal also said that the South side should recognize that it had delayed the formation of the single team and that it should completely withdraw its supplementary rules. The proposal added that high-ranking sports officials on the South side should withdraw their assertions that they will participate in the 11th Asian Games as a separate team. This minimum demand was designed to break an impasse in the talks and find a way out. This was a just demand, one that the South side could easily accept if it intended to form a single team. However, the South side

did not accept our demand in the end. At a press conference in Panmunjom as soon as the ninth talks concluded, it hastily declared that the North-South sports talks had broken down. Also, even after receiving our side's telephone messages dated 12 and 19 February, in which we called for holding the 10th talks at the earliest possible date following the acceptance of our three-point principled proposal, the South side, without changing its unjust stand, unilaterally declared that the talks to form a single team had broken down. Such a shameless act by the South side's delegation is an unforgivable, outright challenge to the earnest desire of the sportsmen of the North and South who want the formation of a single team and is an antinational act that mocks the nation.

Turning a blind eye not only to courtesy and morality, but also to public opinion at home and abroad, the South side desperately maneuvered to frustrate the sports talks to form a single team. This is linked with the South Korean authorities' criminal maneuvers to fabricate two Koreas. The South Korean authorities were not interested in the formation of a single team, which is intended to achieve the country's reunification, in the first place. They pursue perpetual national division and oppose the country's reunification, and they have tried to use the 11th Asian Games in carrying out the criminal policy from the beginning. To this end, the South Korean authorities ordered the South side's delegation not to form a single team under any circumstances and coordinated this task behind the scenes. All the facts clearly show that the North-South sports talks to form a single team were driven into a crisis of breakdown at their final stage and that the grave obstacle placed before the formation of the single team is wholly caused by the two-Koreas policy of the South Korean authorities, encouraged by the United States, and by the fact that impure political influence was exercised upon sports affairs on the South side.

While frantically resorting to all means and methods to evade its responsibility for breaking up the North-South sports talks, recently the South side has foolishly maneuvered to pass the blame onto someone else. However, they must remember the saying that those who commit crimes will be held responsible for them. The South side will in no way be able to evade its responsibility for breaking up the North-South sports talks and driving the formation of the single team into a crisis of breakdown. We demand that if it is afraid that it will be disgracefully called a national traitor, the South side withdraw its unjust stand and accept our side's principled proposal. We also demand that the South side again come to the site of the talks at the earliest possible date and sincerely participate in the discussions on the formation of a single team. If it doggedly continues to frustrate the formation of a single team, despite our repeated demand and all the fellow countrymen's strong protest and denunciation, the South side will be held wholly responsible for consequences that may arise. In order for the North and South to participate in the 11th Asian Games as a single team, we will continue to make all sincere efforts until the games open.

[Dated] 21 February 1990 Pyongyang

NODONG SINMUN on Abolishing South Law

SK1902130090 Pyongyang KCNA in English 1022 GMT 19 Feb 90

["Anti-Reunification Law Must Be Abolished—KCNA headline]

[Text] Pyongyang February 19 (KCNA)—NODONG SINMUN Monday comes out with a signed article entitled "Anti-reunification law must be abolished," which reads in part:

If the movement for national reunification is to be waged nationwide, it is imperative not only to pull down the concrete wall bisecting the country into the North and the South but also to abolish the notorious "National Security Law" in South Korea.

The "National Security Law" of South Korea is an anti-communist, anti-reunification law most blatant in its fascist nature.

This notorious law defines the northern half of the country as "an anti-state organization and area" and the people of the same ancestry in the North as "members of an anti-state organisation."

It bans any contact or dialogue with the North and stipulates that even those who long for the North or read publications of the North are punishable as "elements benefiting the enemy."

The question of Korea's reunification is an issue of the North and the South achieving reconciliation, harmony and great national unity as one and the same nation.

Peaceful reunification based on great national unity cannot be expected unless the "National Security Law" is scrapped, the law which defines fellow countrymen as the "enemy" and the northern half of the country as a "hostile state" and under which all those who call for dialogue and reunification with the North are liable to punishment.

The traitor No Tae-u held confabs with the heads of the right-wing reactionary forces involved in the "political restructuring" through the merger of three parties and announced that the abolition of the "National Security Law" and all other evil laws would be pigeonholed and their "basic frames would be maintained."

This shows that the No Tae-u military fascist group intends to continuously pursue the anti-communist confrontation policy, wielding the evil law antagonizing the northern half of the country.

Their act is an unpardonable crime against the nation and reunification.

The No Tae-u group, not confining itself to this, is more ruthlessly cracking down on the reunification, democratic forces of South Korea by invoking the "National Security Law."

The sharp edge of the fascist group's suppression is directed to the courageous patriotic students earnestly calling for reunification.

The No Tae-u group is a gang of separatists against the nation in that it maintains such anti-reunification law as the "National Security Law" and cracks down on the reunification forces.

However loudly it may cry for reunification, it cannot conceal its true colour as the enemy of the nation, the enemy of reunification.

If the No Tae-u military fascist group persistently sticks to the "National Security Law," the anti-communist, anti-reunification law, challenging the entire nation's desire for the independent and peaceful reunification of the country, it will meet with stronger resistance of the South Korean people.

Paper Says South 'Hindering' Reunification

SK2002110290 Pyongyang KCNA in English 1029 GMT 20 Feb 90

["Reunification in Words, Anti-Reunification in Deed"—KCNA headline]

[Text] Pyongyang February 20 (KCNA)—The South Korean puppets are talking about reunification but, in actuality, hindering it, says NODONG SINMUN in a signed article today.

The traitor No Tae-u in his New Year message and "New Year press conference" cried as if he was interested in reunification and, referring to the merger of the three parties, he blared that he would build a "political party desirous of reunification," but all his acts are quite different from his remarks, the article notes, and continues:

In order to make a breakthrough in the solution to the reunification question in our country, it is imperative to pull down the barrier of division and realise free travel and a full-scale open door.

When the DPRK's new proposal for national reunification was announced, the No Tae-u group asserted at first that there is no concrete wall. But as it did not work; the No group claimed that there are only "anti-tank barricades."

The demolition of the concrete wall means to smash the South Korean ruling quarters' policy of division and confrontation as well as to remove the physical barrier closing doors between the North and the South.

In order to accomplish the cause of national reunification in conformity with the will and interests of the Korean people, we put forward proposals for multi-faceted negotiations enough to collect the general will of the fellow countrymen in the North and the South and called for developing non-governmental dialogue, too.

The No Tae-u group, however, clamouring about "united front strategy," accepted none of our proposals for broad negotiations and is viciously blocking debates on reunification and dialogue for reunification by the people of all strata under the cloak of "unified channel of dialogue."

To resolve our country's reunification question peacefully, it is necessary to refrain from doing acts for a war against the other side and create an atmosphere of national unity. Hence, we repeatedly put forward peace proposals and set living examples of disarmament in recent years.

But the South Korean ruling quarters are continuously committing criminal acts of aggravating the tensions and leading the situation to the brink of war by staging the "Team Spirit-90" joint military exercises together with the U.S. imperialists.

The No Tae-u group's lip-service to "reunification" is a clumsy drama to cover up its anti-national, anti-reunification acts going against the trend of times toward reunification.

It is the real intention of the No group to create "two Koreas," leave South Korea as a colony of the U.S. imperialists for ever and prolong its remaining days under the patronage of its master.

Paper Analyzes Economic Situation in South

SK2102123890 Pyongyang KCNA in English 1048 GMT 21 Feb 90

["'Industrial Peace' Cannot Be Ready-Made Solution to Present Economic Crisis in South Korea"—KCNA headline]

[Text] Pyongyang February 21 (KCNA)—NODONG SINMUN today carries an article titled "'Industrial Peace' Cannot Be Ready-Made Solution to Present Economic Crisis" by Prof. and Dr. Pak Tong-kun.

The article says:

The South Korean ruling quarters and comprador capitalists contend that the present serious economic crisis in South Korea is ascribable to the workers' demand for "high wages" and "labor-management disputes" and, if this crisis is to be surmounted, "wage hike" must be restricted and "industrial peace" be achieved.

But this is a third-rate sophism intended to "justify" their treacherous and anti-popular economic policy and legalise the suppression of the South Korean labor movement and, furthermore, continue to pursue the fascist "security-oriented policy" and thus get themselves rid of

the political and economic crisis which is growing all the more acute with each passing day.

The direct cause of the present economic crisis in South Korea is the U.S. economic pressure upon South Korea, particularly, pressure for "appreciation of won."

The U.S. imperialists have systematically appreciated the South Korean "won" since September 1985, lifting its value 30 percent over the last three or four years. As a result, the South Korean puppets cannot make both ends meet with the exports sold on the U.S. market and dollar zones at the same prices as in the past.

Another factor of the present economic crisis in South Korea is the U.S. imperialists' pressure on South Korea to open its markets and the U.S. protectionism against South Korean commodities.

As of 1989 the United States made South Korea open 95.5 percent of its markets and nearly all its capital, technology and service markets. This means that the United States is robbing South Korea of its market not only abroad but even in South Korea by infiltrating deeper into its home market.

Another cause of the present economic crisis in South Korea is that comprador business groups, while evading investment in equipment, are concentrating their investment on the service domain and throwing a huge amount of funds notably into real estate, securities and other speculations.

The anti-popular economic policy of the No Tae-u group is one of the main factors of the present economic crisis of South Korea.

The South Korean puppets not only meekly yield to the exchange rate manipulations of the U.S. imperialists and their pressure to open the market, but also pursue an anti-popular economic policy aimed at fully guaranteeing the movement of capital of the U.S. and Japanese transnational corporations and comprador business groups.

The economic policy of the South Korean puppets is, in essence, to maintain the military fascist economic order designed to ensure colonial superprofits to foreign monopolies and big fortunes to the comprador businesses at the sacrifice of the working masses.

As for the wages of the South Korean workers loudly advertised by the South Korean puppets, they are the lowest in the capitalist world.

With the rapid growth of the South Korean labor movement following the June, 1987, popular resistance, the wages of the workers have gone up to a certain degree in appearance. But the minimum living cost of the urban working people more than doubled in the 1987-1989 period. This means that the real wages of the workers have dropped considerably.

The way of delivering the South Korean economy from dependence and bankruptcy is to achieve its self-sustenance and democratisation and realise an all-round economic cooperation and exchange between the North and the South, the article stresses, adding:

If the No Tae-u group, tailing behind the United States, leaves the South Korean economy dependent on outside forces and battens monopoly capital at the expense of the people, it will only result in precipitating its own destruction together with the South Korean economy.

Chonminnyon Demands South Prime Minister Resign

SK2102122890 Pyongyang KCNA in English 1009 GMT 21 Feb 90

[Text] Pyongyang February 21 (KCNA)—The National Alliance of the Movement for the Nation and Democracy (Chonminnyon) in a statement concerning a chain of arson cases contended that the "government" authorities are to blame for them, and urged the "prime minister, the home minister and others responsible for them to resign," according to a report.

Criticizing the fascist clique for trying to lay the blame for the arson at the door of students and people, the statement described this as "another expression of their intention to use it as means of crackdown on the democratic forces."

More AIDS Cases Reported in South

SK1902125090 Pyongyang KCNA in English 1020 GMT 19 Feb 90

[Text] Pyongyang February 19 (KCNA)—One more AIDS case was reported in South Korea on February 14.

A company clerk tested positive to AIDS virus.

Earlier, two AIDS cases were discovered in Seoul. They contracted this killer disease while frequenting a red light district of the U.S. imperialist aggressor troops.

Committee for Reunification Seeks European Help

SK1602012090 Pyongyang KCNA in English 2208 GMT 15 Feb 90

[Text] Pyongyang February 15 (KCNA)—A meeting of the West European Committee for the Reunification and Peace of Korea was held in Paris on February 11.

It was attended by the participants in the emergency meeting of the Executive Committee of the International Liaison Committee for the Reunification and Peace of Korea and senior officials of organizations in West European countries for friendship and solidarity with the Korean people.

Andre Aubry, secretary general of the West European Committee and former senator of France, made a report "on measures to expand and strengthen the solidarity movement in West Europe and the direction of future

activities of the West European Committee to support the new reunification proposal of the DPRK and intensify the solidarity movement for the release of South Korean democrats including Yim Su-kyong."

In the report, he pointed to the tasks to wage the movement for support to the reunification of Korea more dynamically and practically in West Europe, saying:

Firstly, we should take measures for a joint action in West Europe while encouraging independent activities of friendship and solidarity organizations of West European countries and take a regional joint action in the movement for supporting the reunification of Korea while maintaining close relations with political parties and public organizations of West European countries.

To this end, I propose to institute an executive bureau in the West European Committee for the Reunification and Peace of Korea which would coordinate the solidarity movement in West European countries and collect and inform their activities.

Secondly, we should take measures for organizing support committees in the countries where there is no committee for supporting Korea's reunification and courageously work to draw different political forces and broad democratic forces into the West European committee.

Thirdly, we should strengthen relations with European political organizations including the European Parliament so that these organizations would be interested in the Korean question and take a positive attitude helpful to the accomplishment of the Korean people's cause of reunification.

I propose to conduct activities to set up a "study group for the solution to the Korean question and the development of relations with Korea" in the European Parliament as the first stage of this work.

To this end, work with members of the European Parliament interested in the Korean question should be intensified and, in each country, contact should be made with and influence be exerted on the members of the European Parliament there so as to enlist them in this group.

Fourthly, we should make diverse activities in Strassburg, Luxemburg and Brussels where European organizations are based, using them as the strongholds of the activities of the West European committee so as to evoke great repercussions there.

To this end, we should make diverse contacts such as meeting between members of the European Parliament and delegates of our West European committee and meeting between the delegation of our West European committee and the speaker of the European Parliament so that the European Parliament would express concern over the matters of removing the concrete wall dividing Korea into North and South, realizing a genuine dialogue between the North and the South, demanding the release of South Korean democrats including Yim Su-kyong and having human rights respected and democratisation realized in South Korea and work hard for the settlement of the Korean question with a positive attitude.

Fifthly, aware of the importance of the removal of the concrete wall in realising free travel and full-scale open door between the North and the South, we consider it desirable to conduct activities to induce the European Parliament to take necessary measures such as dispatching fact-finding groups to the North and the South of Korea in order to confirm the existence of the concrete wall and build up public opinon about it.

He proposed practical and concrete measures for these activities.

The report was followed by speeches.

The meeting decided with the unanimous proposal of the participants to send a letter to the heads of state and government of the West European countries and the speaker of the European Parliament, recommending them to make a positive contribution to removing the concrete wall built in the area South of the Military Demarcation Line and realising free travel and full-scale open door between the North and the South, and entrusted the secretariat of the international liaison committee with practical matters.

Trade Delegation Returns From Bulgaria

SK1802031090 Pyongyang Domestic Service in Korean 1300 GMT 9 Feb 90

[Text] Our country's government trade delegation led by (Kim Chin-sok), vice minister of the ministry of foreign trade, returned home today by plane after visiting Bulgaria.

Yang Hyong-sop Meets With Czech Ambassador

SK2002103090 Pyongyang KCNA in English 1010 GMT 20 Feb 90

[Text] Pyongyang February 20 (KCNA)—Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly, met and had a talk with new Czechoslovak Ambassador Zbynek Schee at Mansudae Assembly Hall on February 20.

Kim Yong-nam Meets Portuguese, Finnish Envoys

SK2002111690 Pyongyang KCNA in English 1041 GMT 20 Feb 90

[Text] Pyongyang February 20 (KCNA)—Kim Yong-nam, vice-premier and foreign minister, today separately met and conversed with new Portuguese Ambassador

Jose Manuel Villas-Boas and new Finnish Ambassador Arto Mansala to Korea when they paid courtesy calls on him.

Kim Il-song Receives Ambassador's Credentials

SK2102122490 Pyongyang KCNA in English 1024 GMT 21 Feb 90

[Text] Pyongyang February 21 (KCNA)—The great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea, was presented with credentials today by Jose Manuel Villas-Boas, new ambassador extraordinary and plenipotentiary of Portugal to Korea. Present at the presentation ceremony were Vice-Premier and Foreign Minister Kim Yong-nam and an official of the Portuguese Embassy here. President Kim Il-song had a conversation with the ambassador after receiving the credentials.

Soviet Military Anniversary Marked

SK2102152690 Pyongyang KCNA in English 1516 GMT 21 Feb 90

[Text] Pyongyang February 21 (KCNA)—A soldiers' meeting was held today at the unit of the Korean People's Army to which Comrade Yi Sok belongs on the occasion of the 72nd anniversary of the Soviet Army and Naval Fleet Day.

Present there on invitation were Counsellor Viktor Mezencev and military attache Pavel Doroshenko of the Soviet Embassy in Pyongyang.

Earlier, a similar meeting was held at the KPA unit to which comrade Yim Un-sop belongs.

Kim Chong-il Noted as Guide of WPK

SK1602215090 Pyongyang KCNA in English 1502 GMT 16 Feb 90

[Text] Pyongyang February 16 (KCNA)—There is a song which is now popular among the working people, students and school children of Korea. It is "We Will Always Remain Faithful to Our Party's Leadership" composed this year.

This song which we hear often through radio and TV reflects the pure ideological sentiments of the people faithful to the leadership of the Workers' Party of Korea [WPK] which leads the revolution and construction along a road of victory and glory.

Singing this song, the people feel deeper trust in the mother party which adds lustre to socialism of Korea.

A large number of songs lauding the party have been composed in the past. Hundreds of them have become famous songs.

"Glory to the Workers' Party of Korea," a collection of songs, contains 100 songs singing of the party. Several volumes of this kind have been published.

The composition and widespread dissemination of many songs praising the party in Korea is an expression of the profound trust of the people in the Workers' Party of Korea.

Dear Comrade Kim Chong-il said:

"For the immortal exploits it performed for the country and the people, the age and history, our party enjoys unreserved support and confidence of the entire Korean people."

The WPK has performed great, epochal exploits in the course of a protracted struggle since it struck its roots with the formation of the down-with-imperialism union on October 17, 1926. And it has grown stronger to be a powerful revolutionary party of chuche type with rich experiences, united as firm as a rock.

It has advanced a unique line and policies clearly indicating the path of socialist construction, taking the chuche idea founded by the great leader President Kim Il-song as the guideline.

Many songs sing of this, touching the heart's chord of the people. Among them is "Along the Road Indicated by the Party," a song composed in the middle of the 1950s.

Calling own party the glorious vanguard lighting the path before the people, the song powerfully calls upon the people to advance along the road of victory and happiness, the road of socialism indicated by the party.

Korea's socialism is a unique one to which the chuche idea has been applied. It has displayed an invincible vitality under the wise leadership of the workers' party.

"The Workers' Party of Korea is Our Guide," "Ever-Victorious Workers' Party of Korea" and many other songs highly praise the wise leadership of the party for the revolution and construction.

"The Workers' Party of Korea is Our Guide" is one of those songs most popular among the people.

The Korean people are promoting the cause of modelling the whole society on the chuche idea, singing this song.

They call the WPK mother because it has taken upon itself full responsibility for the destiny of the popular masses and provides all of them with a worthwhile life.

The deep feelings of our people for the party are reflected in many songs such as "The Party is My Mother" and "The Party is the Face of the Mother." These songs are popular at stages.

People's actress Choe Sam-suk has sung "The Party is My Mother" on the stage many a time touching the right chord in the hearts of the people. She has grown into a popular singer from an ordinary worker in the bosom of the party.

The people think of dear Comrade Kim Chong-il when they sing songs lauding the Workers' Party of Korea. It is because he guides the party.

Kim Chong-il's Role in Subway Art Noted

SK1702102290 Pyongyang KCNA in English 1002 GMT 17 Feb 90

[Excerpts] Pyongyang February 17 (KCNA)—"The Pyongyang Metro is rather an art gallery than a metro," said Margarette Jaker, editor-in-chief of MILITANT, the organ of the Socialist Workers' Party of the United States of America, after visiting the Pyongyang Metro during the 13th World Festival of Youth and Students.

In the subway stations of Pyongyang there are nearly 100 large mural paintings based on the traditional techniques of delicate and graceful Korean painting and about 100 sculptures including sculptures in relief. [passage omitted]

The subway stations were built as art works thanks to the energetic guidance of dear Comrade Kim Chong-il.

The art of mutual painting of Korea with a long tradition greeted a new epoch of historic turning point in its development in the 1970s under the wise leadership of Comrade Kim Chong-il.

He propounded a unique theory of creating mural paintings not subordinated to the edifice but conducive to the beauty of the edifice while maintaining their own characteristics, and has developed the nation's art of mural painting onto a new stage through the course of decorating the metro as an art work.

He gave on-site guidance several times and instructions on nearly 100 occasions for the production of the mural paintings of the metro and perfectly solved the theoretical and practical problems in the production. [passage omitted]

Kim Chong-il's Leadership in University Noted

SK1702103090 Pyongyang KCNA in English 1014 GMT 17 Feb 90

[Text] Pyongyang February 17 (KCNA)—Trade officials of different embassies in Pyongyang visited the revolutionary museum in Kim Il-song University on February 16.

The guests saw the historical relics and materials with deep interest, being briefed on the fact that Dear Comrade Kim Chong-il, upholding the high intention of the great leader President Kim Il-song, made energetic revolutionary activities in this university and performed immortal feats in bringing up the students to be chuche-type revolutionaries.

At the end of the visit, the guests wrote in the visitor's book:

Through our visit, we had a better knowledge of the revolutionary activities of the dear leader Comrade Kim Chong-il.

We believe that the university under the leadership of Comrade Kim Chong-il will train more native cadres and contribute to the happiness of the Korean people and the cause of national reunification.

We sincerely wish the dear leader Comrade Kim Chong-il good health and long life.

The guests appreciated a Korean documentary film.

Kim Chong-il Gets Birthday Medal From Portugal

SK2102121890 Pyongyang KCNA in English 1046 GMT 21 Feb 90

[Text] Pyongyang February 21 (KCNA)—The Alcochete city chamber in Setubal Province, Portugal, decided to award the city medal to dear Comrade Kim Chong-il.

The decision was conveyed to the Korean ambassador to Portugal by Mayor Miguel Boeiro.

While conveying the decision, the mayor said he had the honor to present the city medal to respected His Excellency Kim Chong-il on his birthday in appreciation of his great feats and brilliant merits in the work for the prosperity and reunification of Korea and peace and friendship of the world people.

Chongnyon Groups Study Book on Kim Chong-il

SK2102152090 Pyongyang KCNA in English 1500 GMT 21 Feb 90

[Text] Pyongyang February 21 (KCNA)—Organisations of the General Association of Korean Residents in Japan (Chongnyon) are studying the book "Lodestar of the Nation," according to a KNS report from Tokyo.

Functionaries of Chongnyon are learning the greatness and noble virtues of dear Comrade Kim Chong-il through their study of this book.

Yi Song-sin, chairman of the Central Western Branch, Saitama Prefecture, of Chongnyon, said after studying the book:

I have more deeply realised that Chongnyon could win victory after victory in the past 30 odd years entirely because it has advanced along the road of chuche indicated by the great leader Marshal Kim Il-song and dear Comrade Kim Chong-il.

It is fully proved by the history of the movement of Koreans in Japan and the course traversed by Chongnyon.

Defector Praises Kim Chong-il's Leadership

SK1902121390 Pyongyang KCNA in English 1002 GMT 19 Feb 90

[Text] Pyongyang February 19 (KCNA)—Chon Kwon-su, a South Korean who came over to the northern half of Korea last year, told a KCNA reporter that a great nation is unthinkable apart from a wise leader.

I have realized more clearly that he is no lesser person than our dear leader Mr. Kim Chong-il whom the world looks up to, he said.

Saying he would never forget the emotional days when a "Pyongyang photo exposition" was opened at a department store in Seoul in January last year before his defection, with portraits of the great President Kim Il-song and the dear leader Mr. Kim Chong-il in place of honour, he said:

What drew particular attention of citizens was the grand images of the great President Kim Il-song and the dear leader Mr. Kim Chong-il.

Every visitor looked up to the portrait of the dear leader Mr. Kim Chong-il, saying "It is the look of the great who fully inherited the brilliant wisdom and personality of the great general" and "the dear leader Mr. Kim Chong-il who is upholding the far-reaching plan and lofty intention of respected President Kim Il-song is a prodigy of thought and theory, a great master of leadership and a possessor of noble personality who is versed in ideology and theory and leadership and has all virtues."

Recalling that representatives of peasants from all parts of South Korea gathered in front of the "National Assembly Building" in Seoul last year to protest the market opening to U.S. agricultural and livestock products, Chon Kwon-su quoted a peasant representative as saying:

We peasants, too, can be well off only when the agricultural policy followed by President Kim Il-song and the dear leader Mr. Kim Chong-il in the North is enforced in the South, too.

Each time we see the South Korean rulers leading the farming to a failure and suffer from the subsequent colossal losses we peasants long more intensely for President Kim Il-song and the dear leader Mr. Kim Chong-il.

This hardens our determination to set up a flower-decorated gate of reunified Korea in the South at an early date and greet respected President Kim Il-song and the dear leader Mr. Kim Chong-il.

The greatness of a nation can be found only in a nation which is singleheartedly united behind their leader, stressed Chon Kwon-su, saying the future of our nation is clear and bright as they have the dear leader Mr. Kim Chong-il.

Pyongyang Welcomes Defector

SK2102153590 Pyongyang KCNA in English 1510 GMT 21 Feb 90

[Text] Pyongyang February 21 (KCNA)—A Pyongyang mass meeting was held today in welcome of South Korean seaman Yu Chong-kwon who had come over to the northern half of the country.

An order of the Democratic People's Republic of Korea and a big monetary prize were awarded and souvenirs given to him at the meeting.

In his speech Sim Song-kyong, vice-chairman of the Pyongyang Municipal Administration and Economic Guidance Committee, said: Yu Chong-kwon came over to the northern half of the country, rejecting the colonial suppressive rule of the U.S. imperialists and their stooges. This is a bold act in choosing the road of justice, truth and conscience and an expression of his patriotic will to live a worthy life for the country and the nation.

Speaking in reply, Yu Chong-kwon expressed deepest thanks to the great President Kim Il-song and the dear leader Mr. Kim Chong-il who opened a way of true life to him and are leading the entire fellow countrymen to national reunification.

The North is, indeed, a wonderful society where all the people are the masters of the country, the people are placed above all and politics, economy, culture and all other spheres of the social life serve them, he said, and continued:

But the South is heaven for those with money and power and a hell on earth for the the working people who account for an overwhelming majority of the population, who are subjected to harsh exploitation and plunder, non-rights and suppression, humiliation and maltreatment.

The North solves by itself all problems in politics, economy, culture and all other fields without any foreign interference and is replete with national spirit and soul. Our Republic is, indeed, a model and sample for the world.

Noting that this proud reality of the North is a brilliant result of the great leadership, he stressed that it is the greatest glory and pride for our nation to have and follow the two great leaders revered and held in high esteem by the world.

Significance of Economic Calculation

SK2102085390 Pyongyang Domestic Service in Korean 0007 GMT 20 Feb 90

[NODONG SINMUN 20 February special article: "The Mobilization of the Potential for Increasing Production and Conservation, and the Economic Calculation"]

[Text] The great leader Comrade Kim Il-song, in his New Year address and at the 17th plenary meeting of the sixth

Central Committee of the party, illuminated ways and methods to vigorously carry out the campaign to increase production and conserve in all sectors of the people's economy.

Increasing production and conservation are possible only by mobilizing their potential. Mobilizing the potential for increasing production and conservation means maximizing production and minimizing the use of social labor. This means tapping hidden resources. The potential for increasing production and conservation can only be mobilized and utilized properly through economic calculation, the means by which this potential is disclosed and used.

The great leader Comrade Kim Il-song has taught: Socialism can be successfully built only through precise calculation and only based on scientific statistics.

Precise calculation and scientific statistics are the powerful means to mobilize the potential for increasing production and conservation and to successfully build up socialism. In a socialist society, of course, the decisive factor in mobilizing the potential for increasing production, conservation, and socialist construction is the working people's lofty ideology and consciousness. However, in the complex and massive socialist economy of our country, the potential for increasing production and conserving can be most effectively mobilized and utilized only when the working people's lofty ideology and consciousness are enhanced through precise economic calculation.

The reason that economic calculation is the means by which to mobilize the potential for increasing production, conservation, and socialist economic construction in socialist society is, above all, because it is the powerful means to precisely disclose the status of production and consumption, to dig out the potential for increasing production and conservation, and to work out appropriate measures to mobilize it.

In the course of social reproduction, economic calculation clearly discloses the status of production and consumption by means of numeric language, thus helping its scientific comprehension.

The economy of our country, which has developed into a massive and complex socialist economy as a result of the active campaign to make the people's economy chuche-oriented, modern, and scientific, cannot be correctly grasped merely by hearing or seeing. Its status can be clearly grasped only through precise calculation and scientific statistics.

Economic calculation, a mirror which unequivocably reflects the status of production and consumption, is a means of diagnostic review and economic analysis of the result of the activities of production and management, and of the elements which influence it. It is an important means which helps work out appropriate measures to mobilize the potential for increasing production and conserving in accordance with the conclusion derived therefrom.

Such an analysis based on calculation adequately discloses and elucidates the size and nature of the economic phenomena developing in the course of social reproduction, while also clarifying the mutual relations, pace of development, and balance between them. By so doing, it adequately digs out the potential for increasing production and for utilizing social labor, potential which is invisible to man's eyes, and helps work out scientific measures to effectively mobilize and utilize it.

Another reason that economic calculation is a means to mobilize the potential for increasing production and conservation is because it is a means of control over the activities of production and management. Review and control over the economic activities are the two integral elements of economic calculation. The course of calculation itself is precisely a review of the activities of production and management, and is a course of control over the mobilization of the potential for increasing production and conservation.

Thus, because of the important role it plays in the socialist economy, our party has continued to direct deep attention toward intensifying economic calculation and to using it as an important tool in the management of the socialist economy.

As a result of the vigorous campaign to make the people's economy chuche-oriented, modern, and scientific, the size of the economy has been incomparably expanded, and relations between the enterprises of every sector have become more complicated than ever. Under these circumstances, today the reality of our country calls for further improving and intensifying economic calculation as an urgent task. An important issue in improving and intensifying economic calculation, according to the realistic demands of socialist economic development for maximizing production and conservation, is, first of all, the functionaries' proper understanding of economic calculation and adequate utilization of it as a powerful means to accelerate socialist economic construction.

Socialist society is based on the method of collective management. It is unlike the capitalist society, where economic calculation is each capitalist's private business, and is designed to be used as a tool to exploit working people, to seek the capitalist's own interests, and is full of lies, fakery, and deception, according to the principle of business privacy. Thus without calculation the economy in a socialist society cannot be pushed even a step forward, because it is a highly systematized economy, the infrastructures of which are meshed with one another throughout society like an organic body.

Without calculation, it is impossible to realize collective management over the people's economy, which has formed an organic body; it becomes impossible to manage the massive and complex economy which has

become modernized and science-oriented; and going a step further, it becomes impossible to successfully build socialism.

For the economy of our country, which is very modern and systematic, and which has complicated economic relations—one of the important requirements for mobilizing the potential for increasing production and conservation—is to improve and intensify economic calculation. This calls for functionaries to correctly realize the significance of economic calculation and to pay deep attention all the time to improving and intensifying it.

It is also important in improving and intensifying economic calculation is to absolutely ensure that calculation is made in a scientific and objective manner. Being scientific and objective is the essence of economic calculation, and is the intrinsic demand of economic calculation in the socialist society, where the interests of the state, organizations, enterprises, and working people are basically the same.

Only when economic calculation is made factually and objectively can the status of production and consumption be correctly grasped, and can scientific measures be worked out to implement the party's policy on effecting great revolutionary upsurges in economic construction by mobilizing the potential for increasing production and conservation.

To ensure scientific and objective economic calculation, remnants of such obsolete ideas as desire for fame and authoritarianism which linger in the minds of functionaries must be completely eliminated. If the remnants of obsolete ideas are allowed to linger in the minds of the people, false calculations and reports will be made by exaggerating results and by overstating what will be supplied. This will result in irresponsibility and sloppy calculations at the office which are not based on scientific estimation and calculation.

If remnants of such obsolete ideas are not eliminated, and if the functionaries' consciousness that they are the masters of the economy of the country is not enhanced, it is impossible prove the worth of economic calculation as a powerful means to accelerate economic construction.

In addition, firmly establishing the measurement system, establishing a strict calculation standard for the entire process of economic calculation—the collection, treatment, and analysis of data—and conducting economic calculation according to scientific methods and according to a systematic integration system are an important guarantee for ensuring scientific and objective calculation.

Being specific is also important in improving and intensifying economic calculation. Being specific in planning ultimately requires being specific in economic calculation, and this becomes even more important as the economic foundation of the country is strengthened in the course of progress in socialist construction. Therefore, the ways and methods of economic calculation should be improved and perfected by being specific according to such an inevitable requirement.

Only then can economic calculation specifically disclose the realistic status of production and consumption which can expand drastically, and only then can thorough measures be worked out to accelerate economic construction by mobilizing the potential for increasing production and conservation.

For specific calculations, ways and methods should be constantly improved and perfected so that the course of reproduction may be specifically elucidated. In particular, the utilization of facilities, materials, and manpower—the elements of production—the cost of production, and the realistic status of production and consumption should be comprehensively calculated.

Intensifying the economic analysis based on data is also important in improving and intensifying economic calculation. Economic analysis is an inevitable requirement in the operation of a modern and massive economy. Only through the analysis of data can economic calculation serve as a powerful means to scientifically managing the modern production. In particular, today when the size of the economy has expanded and relations between the enterprises of every sector have become complicated, it is impossible to correctly manage the economy of the country without economic analysis and to mobilize the potential for production and conservation.

What is important in economic analysis is to correctly realize the significance of analyzing data in socialist economic management, to diagnostically analyze the results of the activities of production and management and their elements as a daily routine, and to improve economic management and work out effective measures to mobilize the potential for increasing production and conservation according to the conclusions derived therefrom.

The analysis of data—the explanation of production and consumption, the analysis of income and expenditures, and the evaluation of cost and profit—helps enhance the function and role of the economic calculation as a tool for economic management.

It is also important in improving and intensifying the economic calculation to mechanize and automate the calculation. The mechanization and automation of economic calculation are inevitable requirements for the technological revolution and the development of economic management. At the same time, they are a requirement for bringing overall management activities to a high scientific stage.

Along with scientific and technological development, economic management is made even more scientific by applying new ways and methods, and its mission and role as a tool for economic construction are constantly enhanced.

Modern technology and means such as computers and closed-circuit television are the powerful means of economic management developed thanks to modern science and technology. With their technological characters and superiority, they are the material and technological means which help explore new areas in economic management and further improve and perfect them.

In particular, today when science and technology are developing, the size of production is expanding, and the relations in production are becoming complicated, even more difficult and complicated tasks are put forth in the economic management, and this urgently calls for the introduction of modern technological means and methods in economic calculation.

In mechanizing and automating economic calculation, it is important to firmly maintain a chuche-oriented stand, to mechanize and automate the calculation to thoroughly meet the demand of the great Taean work system according to the specific situation of our country, and to mechanize and automate the economic calculation to properly fulfill the scientific and technological requirements also for mechanizing and automating the economic calculation. By correctly realizing the role of economic calculation in socialist economic construction and by further improving and intensifying it, we should dig out and mobilize more of the potential for production and conservation and should fully display the might of our economy.

Sea Food Direct Sales Store Opens in Pyongyang

SK2102133190 Pyongyang KCNA in English 1011 GMT 21 Feb 90

[Text] Pyongyang February 21 (KCNA)—One more sea food direct sales store opened here recently.

The Taesong Sea Food Direct Sales Store which is situated in Changgwang Street in the city center sells more than 30 kinds of fishes including trout, lockington, squid and flat fish and nearly 40 kinds of processed sea food.

The store has a counter of some 300 square metres, a cold-storage house with a 50 ton capacity and several refrigerator cars.

Chong In-kuk, manager of the store, said a direct transport system has been established for this store whereby fishes of higher quality caught in the east and west seas of Korea and their processed goods can be carried there in time, and this makes it possible to supply citizens of the capital city of Pyongyang with fresh aquatic products in all seasons.

The Sojang Sea Food Direct Sales Store and the Pyongyang Sea Food Department Store, service bases of this kind, were built years ago and are now popular among the citizens.

South Korea

PRC Delegation Set To Discuss Asian Games

SK2102115190 Seoul YONHAP in English 1144 GMT 21 Feb 90

[Text] Seoul, Feb. 21 (YONHAP)—A Chinese delegation will arrive in Seoul on March 7 to publicize the Beijing Asian Games and discuss South Korea's participation in the sports meet, an informed government source said Wednesday.

The 10-member delegation will be headed by the chief secretary to Chen Xitong, mayor of Beijing and concurrently chairman of the Beijing Asian Games Organizing Committee, and comprise officials from the Chinese Government and the Organizing Committee, the source said.

The Chinese side has informed South Korea that it will send the delegation, named "A Team for External Publicity," to discuss with South Korean officials issues relating to accommodation, transportation and security of the Korean athletes and team officials during the period of the Asiad, slated in September, the source said.

The visit may be seen as a resumption of contacts, which have been virtually shelved in the wake of crackdown on pro-democracy protests in Tiananmen Square last year, he said.

In a related move, South Korea will dispatch a group of government officials to Beijing in mid-March or shortly after the Chinese delegation's visit to Seoul to have preparatory discussions regarding its participation in the Asiad, the source said.

The Korean survey team, to be composed of officials from foreign, sports and transportation ministries, will discuss issues concerning the sports meet and, possibly, ways to promote relations between the two countries, he said.

PRC Official Denies Moves Toward ROK Ties

SK2202011290 Seoul THE KOREA HERALD in English 22 Feb 90 p 2

[Text] Hong Kong (Yonhap)—A Chinese official denied Tuesday a Japanese news report that China is moving to establish formal relations with south Korea, a Chinese language newspaper published here reported Wednesday.

Ming Bao, quoting the Chinese official who is charged to handle the Korean issue, reported that there are little chances for the establishment of relations between Seoul and Beijing and China will not discard north Korea under the current international political situation.

The paper said the official confirmed that the government-level contacts have made remarkable progress

in some areas, but the two countries will not set up formal relations until the south and the north reach an agreement on reunification.

The paper, however, did not say whether the official is working at the Foreign Ministry or at the XINHUA news agency in Hong Kong.

Chinese Ethnic Koreans May Study in ROK

SK2202015290 Seoul THE KOREA TIMES in English 22 Feb 90 p 3

[Text] A Korean university has accepted 12 Chinese applicants who, pending Education Ministry approval, will be the first students of Korean ancestry from China to study in Korea.

Korea Air and Correspondence University (KACU) made the decision in a general meeting Tuesday afternoon and immediately asked the ministry to approve the admission of the 12, all of whom have Korean ancestors.

Twenty-two Chinese applied for entrance Jan. 10 via a Korean trade agent, but only those who averaged more than 80 marks out of a 100 in high school were accepted.

KACU is expected to finish entrance procedures by late March through consultation with government agencies.

Government Seeking Full Relations With USSR

SK2202075890 Seoul YONHAP in English 0744 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—Prime Minister Kang Yong-hun said Thursday [22 Feb] that South Korea will try to establish full diplomatic relations with the Soviet Union in the near future.

The premier, in an address to the National Assembly, said, "The government will make efforts to establish official diplomatic relations with the Soviet Union in the not too distant future."

Currrently, Seoul and Moscow maintain a limited consular relationship based on growing bilateral trade and economic ties.

Referring to Seoul's diplomatic policies toward other communist nations, Kang said, "The government will exert efforts to provide an occasion for improving relations with China at an early date as well as pushing ahead with practical improvement of relations with Eastern Europe."

The Seoul government, in a diplomatic drive called "Northern Policy," has emphasized upgrading ties with communist-bloc nations, which have been strong allies of North Korea.

Northern policy has been fruitful as some East-bloc nations have set up full diplomatic ties with Seoul and the Soviet Union has agreed to exchange consular offices on a reciprocal basis.

Seoul will set up an inter-Korean economic cooperation fund in an effort to institutionalize and accelerate economic cooperation and exchanges with Pyongyang, Kang said.

He pledged efforts to realize a South-North prime ministers' conference at an early date so that it could develop into a summit meeting, which the South hopes to hold to discuss all pending issues.

"The government will help create an international atmosphere so that North Korea opens its doors to the outside world and will seek practical exchanges with the North," he said.

Kang listed exchange visits by elderly members of divided families, an accord on free travel, communications and trade, barter of primary industry products and joint ventures, including development of Mt. Kumgang in North Korea, as examples of practical exchange projects.

President No Tae-u suggested such overtures in a news conference last month, but Pyongyang turned him down.

Kang was addressing a new session of the National Assembly. It is a rule for the South Korean prime minister to make a report on state affairs and policy goals at the start of each parliamentary session.

Kim Yong-sam Slated To Visit Moscow 19 Mar

SK2102113190 Seoul YONHAP in English 1113 GMT 21 Feb 90

[Text] Seoul, Feb. 21 (YONHAP)—Kim Yong-sam, a co-leader of South Korea's ruling Democratic Liberal Party (DLP), will visit Moscow from March 19 at the invitation of the Soviet Institute for World Economy and International Relations (IMEMO), DLP spokesman Pak Hui-tae announced Wednesday [21 February].

Kim made his first visit to Moscow at the invitation of the same organization in June last year, during which he met some Soviet officials and Ho Tam, chairman of North Korea's Committee for Peaceful Reunification of the Fatherland. But his first trip was made in his capacity as the leader of the now-defunct opposition Reunification Democratic Party.

Kim now leads the huge ruling party which recently came into birth after the merger of President No Tae-u's Democratic Justice Party and two opposition parties and this makes observers here expect that he may this time meet some high-level Soviet officials.

An unconfirmed report here, meanwhile, said Wednesday Kim may have an opportunity to meet Ho again or higher North Korean officials and discuss ways to improve inter-Korean relations during his stay in the Soviet Union.

Soviet Academician Wants Scientific Exchanges

SK2202034990 Seoul CHUNGANG ILBO in Korean 13 Feb 90 p 2

[Report on interview with Dr. K.V. Frolov, first vice president of the Soviet Academy of Sciences, on 10 February by reporter Yi Kyu-yon; place not given]

[Text] "Even the area of sciences is exposed to the wind of democratization thanks to the reform policy."

Dr. K.V. Frolov, senior vice president of the Soviet Academy of Sciences, a first-rate think tank in the Soviet Union, who is on a visit to Korea to discuss scientific exchanges between Korea and the Soviet Union, described the changes effected in Soviet policy on sciences since Gorbachev came into power.

The 58-year-old Dr. Frolov, head of the academy's Institute of Mechanics and Machine-Building, came to Korea on 10 February at the invitation of Lawmaker Hwang Myong-su, former vice president of the now defunct Reunification Democracy Party.

Dr. Frolov, one of the first-class scientists in the Soviet Union, said: "There have been many ineffective factors in the Soviet Union's scientific administration and it tended to be excessively centralized. However, we are now promoting an administrative reform on an unheard scope based on the new thinking."

For example, he said, that directors of institutes, once named to head them, most of the time continued to remain in their office term after term, like that of the general secretary of the party. However, with the introduction of a retirement system, they must now retire at the age of 65.

Concerning the possibility of scientific and technological exchanges between the two countries, Dr. Frolov said: "The Soviet Union is at the top of the world when it comes to basic sciences and it is our understanding that Korea, too, is well advanced in the area of some of the applied sciences. The Soviet Union can transfer to Korea its technologies in robotics, computer, laser, and automated facilities, while Korea is believed to be capable of assisting the Soviet Union in agricultural technology, electronics, and new substances."

Asked about the status of science and technology in North Korea, Dr. Frolov tried to be diplomatic, saying "I have never been there and I hardly know that country." However, he made an indirect assessment: "Probably, North Korea may have a large number of excellent scientists, but they may face severe limits since North Korea is not active in exchanging information with foreign countries."

He is expected to stay in Korea until 17 February and make efforts as part of paving the way for scientific and technological exchange between Korea and the Soviet Union through such activities as signing agreements on exchange of scientists with the Korean Institute of Science and Technology, the Korean Foundation of Science, and other such institutes.

Further on Frolov, Exchanges

SK2202035990 Seoul KYONGHYANG SINMUN in Korean 17 Feb 90 p 9

[Report on interview with Konstantin V. Frolov, first vice president of the USSR Academy of Sciences, by reporter No Yong-tae; date and place not given]

[Text] Dr. Konstantin V. Frolov, 58, first vice president of the USSR Academy of Sciences, who is a prominent figure in Soviet scientific and technological circles, visited Korea from 10-17 February. He said: "Just as Korea needs Soviet technology in the area of basic science and aerospace, the Soviet Union needs Korea's technology in the area of electronics, new material, and agriculture."

On 12 and 13 February, Dr. Frolov exchanged "protocols on scientific and technological cooperation between Korea and the Soviet Union" with the Korea Advanced Institute for Science and Technology and the Korea Science and Engineering Foundation. During his stay, he had a very busy schedule opening cooperative windows with the Koreans in the scientific and technological fields.

Dr. Frolov, who is also currently holding the additional office of director of the Moscow Research Machine Institute, also said, "There are some 300 institutes affiliated to the USSR Academy of Sciences." He expressed his hope by saying: "We want these institutes and Korean institutes to carry out individual exchanges, as well as exchange various joint research programs."

In order to realize this, Dr. Frolov established a Korea-Soviet scientific and technological cooperative committee and exchanged protocols with the Korean side to hold annual meetings in Seoul and Moscow alternately.

Dr. Frolov explained that in the future, the Korea-Soviet scientific and technological cooperative committee will hold discussions to promote cooperative research in the field of basic and applied science, to exchange scientists and technicians and establish joint research programs, and to exchange scientific and technological information.

Korea and the Soviet Union have not established official diplomatic relations yet. Therefore, it is impossible to conclude national level scientific and technological cooperative agreements. However, the two protocols that were exchanged with Korea's two government-run institutions, which were possible because of Dr. Frolov's efforts, will be historic documents that will open the doors for Korean-Soviet scientific and technological exchanges.

Head of Soviet Chamber of Commerce Interviewed

SK2202003390 Seoul TONG-A ILBO in Korean 15 Feb 90 p 2

[Interview with Valeriy Nazarov, head of the Seoul office of the Soviet Chamber of Commerce by reporter Yon Kuk-hui]

[Text] Valeriy Nazarov, 42, head of the Seoul office of the Soviet Chamber of Commerce, was interviewed on the afternoon of 14 February at his office located on the sixth floor of the City Air Terminal, Samsong-tong, Kangnam-ku, Seoul. During the interview, he cautiously said, "I would like to think of the 'Korean wall' mentioned by Soviet Foreign Minister Shevardnadze as a physical and psychological wall." He said that this was his personal opinion. He added, "Since I was not on the spot when Minister Shevardnadze made this remark, I do not know what he truly means. However, since he is a wise leader in the field of the Soviet Union's foreign policies, I believe his remark is significant."

Valeriy Nazarov said that because the Soviet Union believes the relationship between North and South Korea is "an issue between North and South Korea, there will be no intervention." He also said, however, they are making efforts to create an atmosphere so that the North and South Korean relationship can be improved.

The following is the interview with Valeriy Nazarov:

[Yon] The Korean-Soviet relationship has been upgraded to consular relations. When do you think is it possible to establish official diplomatic relations?

[Nazarov] It is dangerous to foretell the future. However, I believe that if economic cooperation increases between the two countries, the establishment of official diplomatic relations can be realized at an early date.

[Yon] What are the present conditions and prospects for economic exchanges between Korea and the Soviet Union?

[Nazarov] In 1988 the trade volume between the two countries amounted to $200 million and in 1989 it amounted to $700 million. It is expected to exceed $1 billion this year. Most Soviet products that are being exported to Korea are natural resources such as coal, timber, and petroleum and also, aluminum, chemical products, vodka, and machinery. Most Korean products that are being exported to the Soviet Union are consumer goods that include toothpaste, clothes, shoes, and also steel products. Economic exchanges between Korea and the Soviet Union cannot overcome the "traditional form of exchanges" yet, but we believe that in the future, high-level scientific and technological exchanges must be achieved. We can transfer space science and laser technology while we hope that your side can transfer computers and various light industrial technologies to our side. In view of the Soviet Union, the most desirable field in which to carry out exchanges is in the field of timber, marine products, chemical products, and consumer goods.

[Yon] What are the problems in economic exchanges between Korea and the Soviet Union?

[Nazarov] First, it is the lack of economic information on both sides—information that is constantly changing. In particular, it seems that Korean trading companies do not know with whom they should trade. Also, since they do not know the rule and bylaws of the Soviet Union, a lot of times "trade is pursued only for the purpose to explore." Second, since the Soviet Union does not have hard currency, the payment for imports cannot be paid in a satisfactory way. This is a big barrier in trade between the two countries. This is mainly a problem which the Soviet Union is faced with, but there are also barriers that arise from the Korean side. Currently, if Korean trading companies want to invest over $1 million, they must get permission from the government. This is a restriction in economic exchanges with the Soviet Union on the part of the Korean trading companies. Finally, Korean trading companies are too hesitant in making investments in the Soviet Union. Up until now, the Soviet Union attracted 1,300 cases of joint ventures with various countries of the world including West Germany. However, it is regrettable that there was not even one case with Korea.

[Yon] The reason Korean trading companies are hesitant in making investments in the Soviet Union is because of the domestic political situation in the Soviet Union. That is the apprehension toward the future of General Secretary Gorbachev and the policy of perestroyka.

[Nazarov] Currently, there is scarcely any possibility of any change in Gorbachev's position. Even if something undesirable happens to Gorbachev, perestroyka cannot go against the times.

Hyundai Chairman To Visit Moscow, Open Office

SK2202074690 Seoul YONHAP in English 0734 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (OANA-YONHAP)—South Korean tycoon Chong Chu-yong will visit Moscow on March 4 to conclude negotiations on several joint-venture projects with the Soviet Union, an informed government source said Thursday.

Chong's plan to visit Moscow was confirmed by an official of the Hyundai Business Group's advertising department, who said, "while staying in Moscow until March 11, Chong is to take part in the opening ceremony for Hyundai's Moscow office on March 5."

Chong, founder and honorary chairman of the business group, is expected to put final touches on contracts concerning projects that have been discussed since last year, including development of a coal mine and forestry,

and construction of a soap plant, said the official, who asked to remain anonymous.

He will discuss with Soviet officials ways to reinvest the profits from the planned joint project in Siberia in construction of a soap factory in Nakhodka.

He will also discuss the coal mine development project in Partizansk, where Hyundai is now cooperating with Taesung Ind. Co. to build a mine, the official said.

Chong seeks to launch all of the joint-venture projects within the first half of this year, he said.

Businessmen To Form Group on Trade With USSR

SK2202092790 Seoul YONHAP in English 0616 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—Russophiles in South Korea's business community will inaugurate a working-level committee to cope with surging trade with the Soviet Union, the International Private Economic Council of Korea (IPECK) said Thursday.

A lack of information on the Soviet economy and the rising competition among Korean firms have created the need for a panel of experts in Soviet trade from general trading companies and other private firms as well as academic or economic associations, an IPECK offical said.

The official said the working-level committee, to be formed Friday and meet on a quarterly basis, will invite Soviet economic policy-makers to give speeches in Korea and promote a sharing of survey results and exchanges of information among Korean firms.

IPECK is a private body that oversees investments in communist countries.

* IPECK Discusses Cooperation With Poland

90EP0263A Warsaw RYNKI ZAGRANICZNE in Polish 2 Dec 89 p 8

[Article by A.K.: "South Korean Entrepreneurs Interested in Investing in Poland"]

[Text] During the last few days, at the invitation of the Agency for Foreign Investment Affairs, a delegation from the International Private Economic Council of the Republic of Korea (IPECK), led by its vice president In Chong Hwang, visited Poland. This was the first visit of representatives from South Korean economic circles following the recent establishment of diplomatic relations between the two countries.

This organization was created in the fall of last year by 200-plus firms and five associations joining together units from the private sector. Its task is to develop economic cooperation with states having nonmarket systems, i.e., China, the Soviet Union and Eastern Europe. IPECK is composed of both production and trade enterprises. Banks and service firms are also represented. The reforms of introducing market mechanisms and cementing economic ties with the industrialized West that have occurred in socialist countries have been an incentive for the creation of this organization.

Due to the changes occurring in Poland and its significant economic potential, South Korean business has become very interested in Poland. The best proof of this is the visit of the IPECK delegation. The primary goal of the visit was to establish preliminary contacts with the representatives of the government and economic circles and to create a favorable climate for future cooperation.

The South Korean guests conducted talks with the deputy ministers of foreign affairs, economic cooperation with foreign countries, industry and finance. In addition, an agreement was signed between IPECK and the Polish Chamber of Foreign Trade. This agreement provides for the creation of a bilateral committee to coordinate cooperation in the sphere of investments, joint ventures and the flow of technology, i.e., in fields which transcend the conventional trade exchange. The same agreement set up the institutional framework for contacts between the South Korean private sector and partners in Poland.

During talks held in Warsaw, the possibilities for cooperation in fields considered by the Polish government to be priority areas were defined. The participation of South Korean entrepreneurs was recognized to be indicated in the modernization of our iron and steel metallurgical industry, our machine industry (particularly in the precision equipment sector), in electronics, in the production of electrical household equipment and even in agricultural-food processing. Since all ventures had to be undertaken by particular South Korean firms at their own risk, their industrial-trade circles point out the need for concrete ventures within the framework of the economic reform taking place in Poland. Our future partners are concerned, above all, with the convertibility of the zloty, with setting interest rates at a realistic level and with a rational taxation system.

At the same time, it is worthwhile to add that they are experienced in investment cooperation with states having a nomarket economic system. This should facilitate cooperation with our country. South Korean firms are already implementing more than 20 projects in China, while 20 other ones are in the planning stage. Three investment ventures have also been agreed upon in the Soviet Union.

The talks conducted in Warsaw have made it possible to establish a plan of operation for the next half-year. It was proposed that in mid-December 1989, the government in Seoul in conjunction with IPECK will send a group of experts to research overall economic conditions in Poland and the climate for foreign investments. In February or March of 1990, a representive IPECK delegation is expected in Warsaw. It is anticipated that at

that time a formal bilateral economic commission will be created and a program of cooperation for the period of a year will be formulated.

The next step is to be a visit by Polish specialists to South Korea to present South Korean industrial trade circles with a picture of our economy that is as precise as possible and to encourage them to invest in Poland. Finally, in May 1990, a South Korean task force will take part in an investment forum in Poland to study proposals for concrete ventures.

Report Says U.S. Plans Support Troop Pullout

SK2202081390 Seoul CHOSON ILBO in Korean 22 Feb 90 p 1

[Text] It has been learned that Korea and the United States have agreed that the Korean Armed Forces will take over the post of the UN side's senior member to the Military Armistice Commission [MAC] during the first half of this year.

It was also learned that Korea and the United States have been affirmatively examining the issue of starting the withdrawal of, among the U.S. ground troops in Korea, supporting personnel of the U.S. ground forces from October this year and the issue of having the Korean Armed Forces take operational control in peacetime, which the ROK-U.S. Combined Forces Command has, sometime in 1991 and 1992.

After saying so on 21 February, a high-ranking government source said, "As for the issue of the U.S. demand for the increase of our share for the upkeep of U.S. troops in Korea, it is expected that the two sides will agree to increase our share to the utmost within our capability."

This source also said that "Korea and the United States will reach an agreement in principle that the Korean Armed Forces will take over the post of the UN side's senior member to the MAC." The source added, "To go one step further, as for the delegates to the MAC, Korea and the United States are affirmatively discussing the issue of readjusting the composition of delegates to the MAC from four from the UN forces and one from the Korean forces to three from the UN forces and two from the Korean forces."

This source also said that "even though some people ask how the Korean Armed Forces can take over the post of the UN side's senior member, both Korea and the United States think that there will be no problem because the commander of the UN Command is in charge of appointing a senior member" and that "even after the Korean Armed Forces take over the post of the senior member to the MAC, the U.S. forces will continue to take charge of security duty in the Joint Security Area.

Referring to the issue of having the Korean Armed Forces take operational control in peacetime, this source also said that "from the belief that it is desirable to do so in 1991 at the earliest and in 1992 at the latest, I think, prior measures and preparations for this transfer will be made on a working level."

Referring to when support personnel will be withdrawn from Korea—personnel that can be withdrawn among the U.S. ground forces—this source said, "We will not oppose it if the U.S. side hopes to start the withdrawal of the U.S. ground forces in October, when the withdrawal of supporting personnel of the U.S. Air Force from Korea begins."

Phaseout of Troops Denied

SK2202062190 Seoul YONHAP in English 0546 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—The South Korean Defense Ministry said Thursday it is untrue that Seoul and Washington may replace the chief delegate to the Korean Military Armistice Commission (MAC) meeting with North Korea with a Korean officer in the first half of this year.

The ministry also said there is no possibility of U.S. support personnel stationed in South Korea beginning to be phased out as early as October or of the United States transferring operational control over South Korean forces, now under the U.S.-led Combined Forces Command, to South Korea between 1991-1992.

A high-ranking ministry official said, "It is not the case that the chief U.S. delegate to the MAC meeting will be replaced in the first half and a decision, including details such as timing, has not been made.

"An agreement between the two nations has not been reached on the concrete timing of the withdrawal of U.S. troops since the issue will be taken up at the South Korea-U.S. annual security consultative meeting in November."

Seoul and Washington are coming close to the opinion that the withdrawal of U.S. ground forces will be implemented on a gradual basis in a manner that safeguards combat capability and taking into account the degree of tension on the Korean peninsula even if it is decided to pull out during the November meeting, he said, speaking on condition of anonymity.

The official was commenting on a report Thursday in the CHOSON ILBO, one of Korea's largest vernacular newspapers.

The newspaper, quoting an unnamed high-ranking government source, reported that the two nations had agreed in principle to appoint a South Korean officer to take over the post of chief delegate of the U.S.-led United Nations Command (UNC) to the MAC meeting in the first half of the year.

The source was quoted also as saying, "The two nations are considering positively a change in the composition of

the delegation from four UNC delegates and one Korean delegate to three UNC and two Korean delegates."

Despite the change in the MAC delegation, U.S. troops would continue to be in charge of security in the joint supervisory area at the truce village of Panmunjom where the MAC meeting is held, according to CHOSON.

The source was quoted as saying, "South Korea will not oppose it if the United States withdraws some ground force support personnel in October, when the pullout of Air Force support personnel stationed in South Korea begins."

The source hinted that preparations and necessary measures are being taken on the assumption that the transfer of operational control over South Korean forces will occur in 1991 at the earliest and in 1992 at the latest.

The ministry official, regarding the change in operational control, said, "Consideration is being given to two situations: peacetime and war. The ministry is considering an early transfer of operational control in peacetime in connection with its own project to change the Korean military command structure, including setting up an integrated defense headquarters."

He added, "It is regrettable a newspaper has published a story on these issues based on surmise even before full-fledged discussion begins."

South Korean and U.S. officials met Wednesday to work out the reduction of U.S. forces in South Korea and other security issues in a follow-up to U.S. Defense Secretary Richard Cheney's visit to Seoul last week.

As agreed during Cheney's four-day visit, a four-member panel comprising two officials from each side met at the Korean foreign minister's residence Wednesday morning.

Except for an agreement to start working-level talks for smooth consultation on the issues, nothing particular was announced after the first get-together.

Seoul and Washington have agreed in principle to withdraw several thousand non-combatant U.S. forces from South Korea gradually by 1993.

It is the first time that the projected reduction and other changes in the bilateral security arrangement have been mentioned in relation to a time frame.

Papers Review ROK-U.S. Security Cooperation

SK2202041990

[Editorial Report] Seoul vernacular papers on 17 February carry editorials on ROK-U.S. security cooperation as a phased withdrawal of U.S. troops from the ROK begins.

SEOUL SINMUN on 17 February carries an 800-word editorial entitled "A New Development of ROK-U.S. Security Cooperation." The editorial begins by noting that the danger of war has remained unchanged on the Korean peninsula as North Korea continues to pursue a bellicose policy without changing its scheme to reunify the country by communizing the South. The paper notes that the authorities of both the ROK and the United States share the same opinion on the joint security cooperation on the Korean peninsula, and says that "Defense Ministers Yi Sang-hun and Richard Cheney, on concluding the ROK-U.S. defense ministers' talks on 15 February, stated that they share the same awareness of the 'tensions on the Korean peninsula.'"

The editorial then notes that "considering the 'tensions on the Korean peninsula' of which the ROK and the United States shared a common awareness, the balance of the military strength on the Korean peninsula should be maintained as it is today." Then the editorial continues, saying that "the ROK has to maintain its preparedness in case of a war to prevent war and has to engage in arms reduction and dialogue at the same time. Apparently this is contradictory. But we should accept this reality as a divided nation." It goes on to say that "the ROK does not intend to be adamant or negative on the issue of increased sharing of costs of maintaining U.S. forces in the ROK " then adds that "a U.S. troops cut was anticipated."

The editorial goes on to say that "although a conclusion will be brought on the pending issues between the ROK and the United States at the annual ROK-U.S. Security Consultative Meeting this June, they should be settled in connection with the preconditions such as complete transfer of the operational control and the revision of the ROK-U.S. Status of Forces Agreement before the moving of the U.S. base from Yongsan. The editorial concludes that joint security cooperation based on the spirit of the ROK-U.S. Mutual Defense Treaty and the traditional structure of the alliance has entered a new stage. The two countries should further solidify the cooperative relations as equal partners sharing the wisdom of jointly coping with the age of disarmament and pursuing practical interest."

HANGUK ILBO on 17 February carries an 800-word editorial entitled "The ROK-U.S. Security Cooperation in 'An Era of Disarmament.'" The editorial first notes that "the ROK-U.S. defense ministers' talks held on 15 February had an extensive exchange of views on such pending issues as the future of the U.S. forces in the ROK with the awareness that the ROK-U.S. relations of military security cooperation have reached an important stage necessitating the development of military cooperative relations of partnership between the two countries with the beginning of the 1990's." It then notes the special significance of the defense ministers' talks in that the talks discussed the task of a security cooperation of a new perspective such as the future of the U.S. forces in the ROK, a change in their role, the transfer of the operational control, and the sharing of defense costs, different from the previous talks that concentrated mainly on bolstering combat capabilities and defense posture."

The paper continues by noting the contents of discussions and agreements made in the talks. It then refers to the fact that the defense ministers of the two countries agreed, as revealed by the joint news conference following the talks, that the situation surrounding the Korean peninsula "does not warrant any drastic change in the combat capabilities of the U.S. forces in the ROK." The paper adds, however, that the defense ministers "stressed that now is the time to explore a gradual and developmental change in the character, role, and scale of the U.S. forces in the ROK." Next, the editorial notes that "this makes it clear that we have entered a stage in which we must share an increased burden for our own security." Then the editorial says that "HANGUK ILBO has called for the Koreanization of the defense of the ROK before, and this can be accelerated depending upon the situation surrounding us. This is seen from the fact that the defense ministers' talks officially mentioned the transfer of operational control and that the ROK side actively proposed to the U.S. side the implementation of a change in the role of the U.S. forces from the leading role to a supportive role."

The editorial then notes the trend of worldwide detente and the possibility of a change in the situation on the Korean peninsula, although it stands alone as a sole exception at present. The paper then stresses the need for the ROK to maintain the capability to cope with changes that could come about in the security situation surrounding us. The editorial concludes by saying, "We should maintain our war deterrent by maintaining our capabilities in this era of disarmament and should, at the same time, reasonably cope with the other phase of the situation characterized by detente."

Minister Sees Improved U.S. Trade Relations

SK2202020890 Seoul YONHAP in English 0114 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—Trade and Industry Minister Han Sung-su said Wednesday trade relations between South Korea and the United States are likely to improve substantially this year due to Korea's reduced trade surplus with its largest trade partner.

Meeting with business leaders, Han said it was unlikely that the United States would designate Korea a priority country for trade negotiations in the intellectual property rights area.

Concerning the beef issue, the United States may make a new proposal considering Korea's suggestion to increase its import quota, the minister said.

Washington has demanded that Korea fully liberalize beef imports while Seoul maintains that full opening is impossible because it is a politically sensitive issue and directly linked with the livelihood of Korea's farmers.

The top trade official said he and U.S. Commerce Secretary Robert A. Mosbacher agreed to establish a joint committee on commercial cooperation in order to accelerate collaboration in industrial fields during their meeting in Washington last week.

Supply, Demand To Determine Dollar-Won Rate

SK2002071790 Seoul YONHAP in English 0505 GMT 20 Feb 90

[Text] Seoul, Feb. 20 (YONHAP)—South Korea will allow the rules of supply and demand to determine exchange rates in the foreign currency market from March 2, the Finance Ministry announced Tuesday.

Korea has used a dual basket system since February 1980, fixing exchange rates based on fluctuations of the U.S. dollar and the world's other major currencies.

A ministry official said that under the new system, dubbed the market average rate, the exchange rate for the U.S. dollar will be the weighted average of the rates applied in spot transactions at 90 foreign exchange banks in Korea during the previous day.

All other currencies will be first subject to their exchange rates against the dollar on international currency markets and then their rates against the Korean won will be tailored to the won-dollar yardstick, he said.

The government will keep the fluctuations of inter-bank daily market average rates within 2.8 won per dollar for the time being to protect smaller companies from exchange losses.

Telegraphic transfer buying and selling rates, as well as inter-bank rates, will be set by foreign exchange banks within plus or minus 0.4 percent for the dollar (0.8 percent for all other currencies) of the daily market average rate, the official said.

If a day's transactions fall shy of 48 million dollars, half the 1989 daily market average, exchange rates will be based on the combined transactions of that day and the previous day.

If the goal is not met for a second day, the calculation will include the figures for that day and the two previous days, the official said.

North Boycotts 11th Parliamentary Talks

SK2202090390 Seoul YONHAP in English 0606 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—North Korea boycotted the 11th contact for inter-Korean parliamentary talks in the truce village of Panmunjom on Thursday [22 Feb], demanding the suspension of the South Korea-U.S. "Team Spirit" joint military exercise.

A joint statement by North Korea's delegations to all forums of inter-Korean talks declared Feb. 9 they would not attend any meetings with South Korea during Team Spirit, which started early in February and is to last until mid-April.

Chae Mun-sik, the South's chief delegate to the inter-Korean parliamentary talks, in a telephone message Wednesday urged North Korea to participate in the 11th parliamentary contact but Pyongyang did not respond.

Ministry Says Passage Not 'Invasion Tunnel'

SK2202075090 Seoul YONHAP in English 0702 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—The South Korean Defense Ministry denied Thursday [22 Feb] that an underground passage reportedly discovered in the eastern sector of the Demilitarized Zone dividing South and North Korea is a North Korean invasion tunnel.

THE WASHINGTON TIMES reported in its Wednesday editions that U.S. and South Korean officials uncovered a cavity beneath the Demilitarized Zone in December and that while "technicians have not positively confirmed the presence and purpose of the passageway... Western sources said preliminary bores indicated the presence of a tunnel."

The ministry said the Seoul-datelined story was "an uncertain guess" derived from a series of probing operations in some suspicious areas, adding the reported tunnel could be a natural underground passage as were most discoveries in the past.

The ministry said Korean and U.S. authorities have conducted intensive probing operations since 1974, judging that there were more than 20 invasion tunnels, but that most of the caverns, except three discovered in the 1970s, turned out to be natural.

Seoul To Propose Resumption of Economic Talks

SK2202012290 Seoul THE KOREA HERALD in English 22 Feb 90 p 1

[Text] Encouraged by recent signs of change in north Korea's attitude toward the south, the government has decided to more actively push economic exchanges with the north.

As part of this effort, a source at the Economic Planning Board [EPB] said yesterday, the government will propose to the north resumption of the stalled inter-Korea talks on economic cooperation in March.

"The mood and environment for inter-Korea economic exchanges is fast becoming mature," the EPB official said on condition of anonymity, citing Pyongyang's recent changes in attitude toward the south.

The source said that Pyongyang has recently stopped activities to prevent the south from opening diplomatic ties with East European nations, mostly former north Korean allies.

Pyongyang has displayed greater interest in recent months in economic exchanges with the south, the official said.

The north has made positive approaches to south Korean businessmen in such places as Hong Kong.

When the inter-Korea economic talks resume, the official said, the south will start concrete discussions with the north on such matters as bilateral trade, joint-venture investment and joint development of the north's Mt. Kumkang.

Seoul is ready to switch the conference site from the truce village of Panmunjom to a third country, if the north wants, he also said.

The south will be more flexible on the format and site of the talks which is designed to induce the north to start practical talks, he said.

The north, apparently shocked by the sweeping reforms in East Europe, he said, seems to feel an urgent necessity to push economic development.

It is reflected by the north's increasing contact with south Korean businessmen in third countries and its reported desire to join international financial institutions, including the Asia Development Bank [ADB], he said.

Pyongyang has recently approached the ADB regarding procedures and requirement for admission and the ADB reportedly responded through the United Nations Development Program office in Pyongyang.

The north's inquiry reflects its interest in introducing long-term loans to finance its economic development, he said.

* Controversy Surrounding Wage Freeze Detailed

902C0102A Seoul HANGUK ILBO in Korean 24 Dec 89 p 8

[Article by Pang Chun-sik]

[Text] The economic world is suffering from aches and pains caused by a "wage freeze" virus. A move, begun on 11 December at the government's initiative, to freeze the pay of ranking public officials and senior officials of government-subsidized institutions and large corporations has touched off a violent controversy between those who support it and those who oppose it, thrusting the matter to the economic forefront as a hot issue. The supporting argument reflects the position of government and business management, who believe that the difficult economic situation cannot be overcome if the prevailing rate of wage increases, far outpacing the rate of increase in productivity, is allowed to continue and that, therefore, those holding senior positions ought to set an example by taking the lead in freezing their next year's pay at this year's level. In contrast, the opposing argument, shared by the majority of wage-earners and labor organizations, claims that the pay freeze by senior officials, which is already creating a repressive atmosphere compelling low-level workers to exercise self-restraint on seeking wage increases, is in essence a move in disguise designed to shift the blame on the working people for the basic cause of the economic stagnation.

Controversy Portends a "Typhoon"

Experts on wage and labor issues and those of academia are contending that, although they fully appreciate the

purpose of the wage freeze, what is urgently needed is not the kind of semicompulsory wage-freeze tactic that is arousing a negative reaction by the working people but rather an introduction of a "wage level guideline" or the concept of "fair distribution of fruits" with which both the labor and the management can agree.

Meanwhile, as for those senior public officials and executives of large corporations who are directly affected by the wage freeze, a fair number of them do acknowledge the necessity for such a step. But there are some who are reacting admittedly with a sour taste in their mouth about the voluntary-in-name but actually compulsory method used for the wage freeze and the extent of the application of the freeze down to the section-chief level.

In short, except for a small number of policy-level officials and employers, the great majority of people are displeased with the coercive atmosphere surrounding the wage freeze, even if they might be supportive of the wage freeze in principle.

The move toward a wage freeze started on 11 December when the government, at a special session of the cabinet council, resolved to freeze next year's pay at this year's level for the following categories of senior public officials: regular government service employees of Grade-3 and above; prosecutors holding the positions of high-public prosecutor and above and police officials of the ranks of "chief" and above; and general officers of the Armed Forces.

The same day, the cabinet ministers explained that they had "decided to have senior public officials in leadership positions to set an example by voluntarily restraining their pay raises" because the fundamental causes of our economic crisis, in their view, were labor-management discord and the precipitous rate of wage increases. At the same time, the ministers not only said they expected but also urged state-run enterprises and big private corporations to make similar efforts in collaboration with this decision by the government.

Immediately after the cabinet council's decision was announced, individual ministries and agencies of the government summoned the heads of their subordinate organizations and government-subsidized institutions under their respective jurisdiction and each held a "rally in support of the wage freeze." As for the major private corporations, the following "voluntary" wage-freeze decisions were made: the Hyundai Group will freeze the pay of section chiefs and above; of the Lucky-Goldstar Group, only Lucky-Goldstar Trading Co will freeze the pay of department chiefs and above; and the Hanjin Group will freeze the pay of staff officials and above.

The trends thus far indicate that government-subsidized institutions, economic organizations, and financial institutions are actively responding to the government's wage-freeze policy; on the other hand, despite the fast footwork shown by the Hyundai Group, the nation's biggest financial combine, which promptly fell in line with the government's decision the very next day after it was announced, major corporations in general are extremely lukewarm to the call.

According to the Economic Planning Board, in the public sector including government-affiliated organizations that cannot afford to ignore the pleasure of the government, at least some 150 organizations and business entities are expected to decide to freeze their wages before the end of the year [1989].

But among business giants who can truly produce some real impact by freezing their wages, except for three corporations including Hyundai and Hanjin, others are making no significant move in response to the government's call.

Referring to the swift move by the Hyundai Group to freeze the pay of section chiefs and above, a certain Mr Yi (age 33), a section chief within the Kolon Group, described it as a "ride-the-tide kind of move typical of Chairman Chong Chu-yong." Asking a rhetorical question "When did public officials of Grade-3 and above depend on their salaries for their living?" Yi went on to criticize Hyundai's move by saying, "When price increases are taken into account, it is not quite fair to say that salaries have gone up enough. It is therefore going too far to freeze the pay of section chiefs and above."

Continuing, the same section chief Yi argued: "Before freezing the wages or doing anything else, those men of enterprise, who have thus far had an easy time of running their businesses, must show their willpower to face up to the difficult conditions expected for the coming year and accept them as a new challenge."

A certain Mr Chong (age 36), a section chief in Hyundai Construction Co., who admittedly was among those employees summoned to the company's auditorium on 2 December [as published] and ended up cheering—without really knowing what was happening—the announcement on the wage-freeze policy, offered this confession: "In some way I thought I understood the reason for the move, but the more I thought about it later the more cheated I felt." Saying "Actually a section chief cannot even be regarded as belonging to the ranks of staff employees," Chong bared his feelings with these words: "Section chiefs are the ones who must answer to everyone around—the real executives of department chiefs and above and those of the labor union; we are just like the little shrimps that get caught between fighting whales and get crushed!"

Meanwhile, on 19 December, more than 400 members representing some 20 labor unions encompassing the Hyundai Group-affiliated companies involved in such activities as construction, auto production, and engine manufacturing held a protest rally, denouncing the wage-freeze move; it was just one manifestation of their continuing strong opposition.

Separately, on 22 December, the consultative council of the labor unions representing the Bank of Korea and four

other state-run banks—the Housing Bank, the People's Bank, the Enterprise bank, and the Industrial Bank—issued the following warning against the wage-freeze decision made by the executives of Grade-2 and above (vice chief level) of their banks: "Resorting by a handful of policy-level bureaucrats to such ill-advised tactics as fostering authoritarian conditions and staging undemocratic, controlled rallies will only arouse a sense of defiance among the workers." The council then came out urging that efforts be devoted to seeking a more fundamental solution to the problem on hand.

In launching the wage-freeze move, the government's original intent was based on the concept of "less for the higher echelon, more for the lower echelon"; by having high-ranking officials voluntarily freeze their pay, the government hoped not only to achieve the expected results but also to have symbolic impact on the working people in general by conveying to them the message: "We in the government, too, are doing something about the problem." Contrary to the good intentions, the move has only produced a boomerang effect.

The crux of the problem is the question of how one should view the cause of the current economic crisis.

Over these several recent years, the wages in our country have risen precipitously: it is a fact that the rise has been greater in relative terms as compared with Taiwan, Hong Kong, and Singapore, which, together with South Korea, are known as NICS (newly industrialized countries of Asia) or as Asia's Four Dragons; it is also a fact that the rise in wages has far outpaced our productivity.

Those of the business sector contend that the wage increases over these past three years at a sustained rate of nearly 20 percent have weakened their international competitiveness and have greatly decelerated exports, the locomotive of our economic growth. They are complaining that prolonged strikes by workers have often led to the failure of meeting product-delivery deadlines, that the diminished sense of devotion among workers to their jobs has resulted in a sharp increase in the rate of defective products, and that it is difficult for them to keep the businesses going in the face of the rate of wage increases exceeding the labor productivity.

But, in retort, the workers are asking the businesses how and where they have indeed squandered all the profits made over the three-year boom period that began in 1987, during which the economy grew at an annual rate of 12 percent.

The workers are saying that when business conditions were good those running the businesses simply indulged in real-estate speculations and in the art of sophisticated financial management instead of investing more money into plant and equipment and into research and development activities as they should have done, and that now, with business conditions having indeed turned sour, they are blaming excessive demands by workers as the cause of it all.

Even as these diametrically contradicting opinions are swirling around, there is no denying the fact that our economy is headed straight for a critical stage, nor can it be denied that the slowdown in exports and the sluggishness in the manufacturing are visibly turning from bad to worse.

Just as difficult to deny is that labor-management disputes and the rate of wage increases surpassing productivity have had an enormous impact on the current critical state of economy, although it may be unfair to say they have been solely responsible for it.

"The wage-freeze measure, it seems, was something which the government simply had to do," said Director Chi Kye-sik of the Resources Development Bureau, Ministry of Energy and Resources. "The amount of money saved by freezing next year's pay for the public officials of Grade-3 and above may not be much; nonetheless, it ought to be viewed as an act of good faith by public officials who are trying to lead by example and to play an active role in propping up the economy," he said.

"The management decision to freeze the wages is a responsible, concrete act on the part of the business and economic sector trying to overcome management difficulties," said Executive Director Hwang Chong-hyon of the Federation of Korean Industries. "When a family is in trouble or if a society is in difficulty, it is the elder of the household or those of its leadership group, respectively, who must take the lead in making self-sacrificing efforts; only then will the family or the society be able to get itself back on the right track," he added.

But labor organizations are taking the position that to them these arguments are difficult to accept at their face value.

In a statement issued on 22 December, the preparatory committee for the formation of the National Council of Labor Unions declared that in its view the freezing of executive-level pay is an act based on ulterior motives aimed, on the one hand, at restricting the rate of the next round of wage increases to a single-digit figure and, on the other hand, at shifting the blame for the economic crisis entirely on rising wages while ignoring other issues such as the appreciation of the won's value, the pressure for liberalizing imports, and the excessive speculations in nonproductive areas by corporations.

The working people in general, too, are sneering at the wage-freeze moves by government and business. Mr Kim Ki-sik (age 45; a security guard), who earns 370,000 won a month and has three children, had this to say, ending it with a rhetorical question: "Right now I am renting a house paying 70,000 won a month which is 10,000 won more than I paid last year, and I am sure next year I will be asked to pay at least 10,000 won more than I pay now. The prices of other necessities of life seem to have gone up 20-30 percent; I am finding it increasingly difficult to make a living as time goes on. Before talking about anything else, the prices must come down. If they insist on keeping the wage increase down to a single-digit

figure when the prices are continuing to go up, are they saying it is OK for a fellow like me to be kicked out of a rental house?"

Administrative emloyees including those of the section-chief level, too, are taking the position that there cannot be a wage-suppression policy without first solving the problems of rising prices and housing. They are saying that, if home ownership were an achievable dream and if prices were stable, they could, in the broad interest of overcoming the economic crisis, go along with a wage freeze at the current level, but that freezing wages under the present circumstances will only antagonize the working people, negating the prospect that the coming year will be any better than this year in terms of labor-management disputes.

Meanwhile, for the most part, experts on wage and labor issues and those of the academia, too, are opposed to the kind of uniform wage freezes that are being advocated today.

Professor Kim Chae-won of the Economics Department, Hanyang University, prefaced his remarks with these words: "How the labor-management scene will look next year will prove to be an important clue for forecasting the future of our economy." Continuing, he said, "Viewed from that standpoint, the labor unions' reaction becomes the most crucial factor. Im this regard, the wage-freeze measure as we have it today has the potential of making the situation go from bad to worse."

"The reason why big companies are not jumping on the bandwagon of freezing the pay of the executive level undoubtedly has to do with their unwillingness to pique the labor unions," said the same Professor Kim. "On balance, a wiser move would be to prevent the worsening of labor-management disputes—which, if they occur, would mean far greater losses from the management standpoint—even if it takes giving the workers a wage increase of a few extra percentage points," he declared.

There are also many experts who take issue with the high-handed approach used in trying to enforce the wage-freeze measure this time without the benefit of a consensus-building process between labor and management and, to stretch it further, on a national scale.

Mr. Kim Chin-yong, chief researcher at the National Economic System Research Institute, expressed the following views: "I do not believe that the wage-freeze measure this time around will be spread among all businesses as was intended by the government." "It is my understanding," he continued, "that there are many businesses that take a dim view of the action taken by the Hyundai Group [which was the first to fall in line with the government's wage-freeze policy]."

Mr Pan Pyong-kil, director of the Office of Labor Training, Korea Productivity Center, began his remarks with a rhetorical question: "Where can you expect to find a private business or a working man willing to oblige just because someone one day decided to declare a freeze on wages!" He then contended: "The time has come for business to get away from mutual confrontation with labor unions and to move on to developing a relationship of mutual competition or of mutual equality with labor unions."

After all is said and done, there cannot be any total victory by either the proponent or the opponent of the wage freeze. When, as in our country, the labor market is not healthy enough and the wage structure not flexible enough vis-a-vis the business conditions, any precipitous attempt to solve the wage problem is more likely than not to make the situation worse.

Given the fact that the wage-freeze measure is, so far, about the only answer that has emerged toward solving the problem of the economic crisis, both sides of the argument would do well to recognize it as such and try to compromise a little with one another so that the next year, the first year into the 1990's, can be a stepping stone toward the resolution of labor-management problems.

A rate of wage increases far outpacing productivity obviously is not proper; at the same time, it ought to be kept in mind that any entrepreneur who, at the early signs of difficulty for his business, chooses to freeze the wages of his employees as his first option is not qualified to be an entrepreneur.

* Plans for New '21st Century Committee'

902C0089A Seoul HANGUK ILBO in Korean 1 Dec 89 p 10

[Article by Chong Pyong-chin: "Five-phase Study of National Model in Year 2020"]

[Text] The next 20 to 30 years which will open the 21st century are expected to bring rapid changes in various areas such as international order, economics and environmental issues. In order to properly cope with these changes, we must move into a position where we can evaluate the developments and changes of the last several decades and predict the future, thus providing a new blueprint for national purpose.

Even though there have been short-term and mainly government led development plans concerning specific areas, there has been no long-term and comprehensive study on the overall national level.

In particular, because the majority of the existing "National Development Studies" were conducted with a political purpose, the reason for the existence of such studies has changed according to changes in the political situation.

Therefore, though the "21st Century Committee," which was initiated last June and plans its third and fourth full committee meetings on 1 December and 4 December respectively, is a presidential advisory organization, it is drawing public attention in that it consists entirely of civilian members who will study a medium to long-term

national development plan for the 2000's. Let us take a look at the organization, operation and study project of the "21st Century Committee."

Organization of the Committee

On 25 February 1989, one year after the Sixth Republic was launched, President No Tae-U directed that the possibility of establishing a professional research organization in preparation for the 21st century be examined. During the cabinet meeting on 25 May, the agenda for the 21st Century Committee was passed and it was initiated as a presidential advisory organization.

The 21st Century Committee, headed by former Minister of Science and Technology Yi Kwan (Ph.D. in Engineering, University of Liverpool), with its 36 members, consists of civilian professionals, a majority of whom are in their forties: 23 are from academic circles, five from research institutions, three from economic circles, three from the mass media and two from legal fields.

Operation Plan

The Committee tentatively selected the year 2020 as the target year and adopted a five-phase research activity plan for the next five years.

End of 1989: This is the phase for establishing the plan and providing the direction for committee activity. It begins its basic research activity to pave the way for the next project by determining the mission, objective and responsibilities of the committee and establishing a specific study plan.

* 1990 to the first half of 1991: This phase incorporates an analysis of the current situation and search for ideas of national development. The committee will make a structual analysis of our current reality, make a diagnosis of the problems and search for an idea of national development.

* 1991 to the first half of 1992: This phase will look at changes in domestic and international situations and select future development. The committee will make a choice in international situations between what we need and what we do not need and make the apporpriate choices.

* 1992 to the first half of 1993: This phase will draw out development strategy and political policies. The committee will extract development strategy and political policies from an analytical study of the situation and prediction for future prospects.

* The second half of 1993 to the first half of 1994: This phase will complete a final report after synthesizing, revising, and completing the study results of the committee.

The committee also plans to participate in the following meetings to exchange opinions with professionals in other countries: they are, the Sixth World Futurist Conference (July 1989 at Washington D.C.); International Academic Symposium (September 1989 at London, England); Pacific Area Conference of World Future Research Federation (November 1989 at Nagoya, Japan) [as published].

* Study Task

This will involve classifying research and discussion of the overall national future blueprint, which will be performed by each subcommittee.

* National Harmony and International Cooperation (Reunification and National Image Subcommittee): This subcommittee will search for methods to reduce military tension on the Korean peninsula and recover national identity and also for methods of national reunification based on national agreement and ultimately to provide a 21st century reunification diplomation policy for establishing the Korean image in the world.

* Economic Growth and Balanced Progress (Economic Welfare Subcommittee): This subcommittee will not only seek continuous growth of the Korean economy, but also will study national tasks in order to evenly distribute the fruits of economic progress to every region and sector of society and thus maintain a prosperous and harmonious living standard for every sector of society.

* Scientific and Technological Development (Science and Technology Subcommittee): This subcommittee will predict the development of cutting edge scientific breakthroughs and the social change resulting from them. It will also search for scientific and technological methods through deep analysis and evaluation of scientific technology.

* Value and Human Life (Social and Cultural Subcommittee): This subcommittee will seek ideas to promote cultural and educational advancement to enhance the quality of life and it will firmly establish new values and life patterns in the midst of a harmony of tradition and change.

* Political Development and Social Integration (Reunification and National Image Subcommittee and Social and Cultural Subcommittee): This subcommittee will study ideas and systems appropriate for new structures and values in order to reduce conflicts stemming from industrialization and specialization of social structure and achieve social integration and political development.

* Environment, Resource, and Population (Economic Welfare Subcommittee and Scientific and Technological Subcommittee): In order to cope with environmental contamination and exhaustion of resources, which threaten the very existence of humanity, this subcommittee will examine the elements that restrict population, food, resources and energy, and seek methods to preserve and improve the environment.

KAL To Expand Southeast Asian Service

SK2202074390 Seoul YONHAP in English 0711 GMT 22 Feb 90

[Text] Bangkok, Feb. 22 (YONHAP)—Korean Air (KAL) will inaugurate a Seoul-Bangkok-Kuala Lumpur service next month because of surge in South Korean tour groups and businessmen flying to Southeast Asia, business sources here said Thursday.

KAL will fly to Kuala Lumpur twice weekly from March 26 and put a fourth flight on the Seoul-Bangkok-Singapore route.

The airline will also beef up its cargo service on the Seoul-Bangkok route to four flights a week from the current three.

The Seoul-Bangkok-Kuala Lumpur service will give the Korean carrier 10 flights a week between Seoul and Bangkok, including its roundabout service via Taiwan, Singapore and Kuala Lumpur.

The sources said KAL is considering an irregular charter service to Ho Chi Minh City as a way around U.S. sanctions on flights to Vietnam.

An official at KAL headquarters in Seoul said flights on the Seoul-Bangkok-Kuala Lumpur route will depart every Wednesday and Friday, but he denied any knowledge of a service to Vietnam.

Accord With France on Import of Aircraft Parts

SK2202052690 Seoul YONHAP in English 0516 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—South Korea and France have signed an accord allowing a French firm to import Korean aircraft parts without direct quality control and tests by the French Government, the Trade and Industry Ministry said Thursday.

The agreement was signed Tuesday in Seoul by officials of the French Transportation Ministry's Civil Aviation Department and the Korean ministry's Defense Industry Division.

Under the agreement, inspectors from the Korea Aerospace Research Institute (KARI) will ensure Korean Air (KAL) makes Airbus parts in compliance with French requirements.

KAL, an international airline as well as an aircraft parts manufacturer, has a contract with Latecore of France for 83 million U.S. dollars worth of Airbus parts.

It is standard international practice for importers of aircraft parts to assign their own quality control inspectors to the manufacturer's plant.

Student Gets Life Sentence in Tongui Incident

SK2202014890 Seoul THE KOREA TIMES in English 22 Feb 90 p 3

[Excerpts] Pusan—A court of appeals here handed down life imprisonment to a Tongui University student and penalties ranging from suspended terms to a 20-year term to 67 other students involved in the May 3, 1989, arson at the library that claimed the lives of seven policemen.

Yun Chang-ho, 23, an electronic communications sophomore, received the life imprisonment and O Tae-pong, a 26-year-old philosophy senior, was sentenced to 20 years in jail.

The two were convicted for leading the violent attack and throwing firebombs onto the library floor awash with highly inflammable paint thinner.

Yun was sentenced to life and O a 15-year prison term at a lower court late last year.

Kim Yong-kwon, a 22-year-old senior majoring in English language and literature, and Pak Se-chin, a 29-year-old chemistry senior, were sentenced to 15-years in jail, the same terms they received at the district court.

Yi Chong-hyon, 26, a law senior, who then led the university student council, was sentenced to 12 years in jail.

Except for seven released on probation, the other colleagues were convicted and sentenced to jail terms from three to 10 years for their involvement in the arson and firebomb attack on policemen.

Senior Judges Kim Sin-taek and Song Ki-pang of the Pusan High Court found all the 68 guilty of violating the laws on violent, arson and murder.

"While committing the violent attack that ended in the deaths of seven policemen, all the students, slightly or deeply involved in the tragic accident showed no repentance, so the court could not grant lenient measures," Judge Song said.

The students, holding hostage five policemen while holed up in the library, resisted a police rescue mission last May. Six policemen died when they jumped out of the seven-story floor to avoid the blaze set by militant students. [passage omitted]

About 700 riot troopers were deployed in and around the court building to prevent any sabotage by the university students and dissidents in this port city the largest city next to Seoul.

Writers Arrested for Security Law Violations

SK2202090590 Seoul YONHAP in English 0530 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—Police are interrogating a poet and two writers who were arrested Wednesday and booked on charges of breaking the National Security Law.

Poet O Pong-ok, 29, has been charged with glorifying North Korea in his book "Red Mountain, Black Blood" and with describing North Korean President Kim Il-song

as "a national leader as well as a hero" for fighting the Japanese occupation of Korea.

Yi Mun-ku, 49, and Song Ki-won, 43, who printed the book, were charged with publishing the book in violation of the law.

Yi, a well-known writer, and Song were publisher and chief editor, respectively, of "Silchon Munhak" when it published O's book in May 1989.

Police searched the publishing company's warehouse and seized 86 volumes of the book as evidence.

A dissident publishing group issued a statement denouncing the arrests and seizure as "the anti-democratic forces' oppression of culture and thought to block people's eyes and ears."

The special session of the National Assembly that opened Tuesday [20 Feb] is expected to revise some provisions of the National Security Law, which its critics claim is broadly used to crack down on government foes.

Dissident Groups Plan Rallies for 24, 25 Feb

SK2202081890 Seoul YONHAP in English 0754 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—Twelve different dissident groups have scheduled anti-government rallies for Saturday [24 Feb] or Sunday in cities across South Korea from Seoul to Pusan, calling for protests against "the anti-democratic merger" of three political parties into a giant ruling party and to "attain the people's basic rights," leaders of the organizations announced Thursday.

In a joint news conference, the activist leaders said that next month they will organize a national alliance to "smash the dictatorship of the ruling Democratic Liberal Party (DLP) and attain the people's basic rights."

They charged that the DLP, founded by former opposition leaders Kim Yong-sam and Kim Chong-pil along with President No Tae-u, is the "product of an anti-democratic collaboration that infringes on the people's rights and suppresses their aspirations for independence and unification of the nation."

"The DLP, like previous dictatorial regimes, will be overthrown by national resistance," they warned.

Leading the meeting were Kye Hun-che and Paek Ki-wan, advisers to the National Alliance of Democratic Movements, and Rep. Mun Tong-hwan, a member of the Party for Peace and Democracy and younger brother of jailed dissident clergyman the Rev. Mun Ik-hwan.

The three demanded that the government immediately halt "anti-democratic policies that threaten the people's livelihood but feed the monopolistic business conglomerates."

They also demanded that the government stop oppressing dissident movements, make efforts to restore order, immediately revise or abolish undemocratic laws, including the National Security Law and the law on the Agency for National Security Planning, and release 1,000 "democratic figures" from prison.

Burma

Troops Capture Mawton 'Timber Smuggling Camp'

BK2102152390 Rangoon Domestic Service in Burmese 1330 GMT 21 Feb 90

[Text] Upon receiving information from dutiful local people that a combined force of about 250 men headed by companies under the 10th Battalion of the insurgent KNU [Karen National Union] and the 203d Battalion of the insurgent ABSDF [All Burma Students' Democratic Front] were smuggling precious timber from Myanmar [Burma] in the Mawton region, southeast of Mergui near the Thai-Myanmar border area, two infantry regiment columns under the Southeast Military Command's No. 3 Tactical Operations began moving from Mergui on 10 February.

On 11 February, the columns arrived at (Kaba Lake-kyi) via Taninthayi. Between 12 and 17 February, the columns marched on to Mawton region, but there was no engagement with the KNU insurgents. However, they seized sawing equipment and many logs. Between 18 and 19 February, there were frequent clashes with small insurgent units. On 20 February, the two columns separated and assaulted the Mawton timber camp. There were two fierce clashes on that day—with about 80 KNU insurgents at 0830 at Point 1056 and with about 150 insurgents at Mawton camp. However, due to the courageous feats of the Defense Services personnel, the whole of Mawton timber smuggling camp was overrun at 1330.

Two soldiers from our side laid down their lives for the country, while 18 others were wounded. The Defense Forces found 12 bodies of KNU insurgents and captured 44 assorted small arms, 6,305 rounds of assorted ammunition, 20 assorted bombs, five assorted mines, six communications sets, 10 motorcycles, two pickup trucks, one six-wheel trailer, two sawmills, over 27,000 logs, two DX-type bulldozers, six assorted engines, one power generator, eight electric saws, 209 sawn logs, and about 100 pieces of sawn wood. Defense Forces columns under the No. 3 Tactical Operations are continuing to sweep the Mawton region.

Eight Bodies Found Near Kachin Rebels' Camp

BK2202150090 Rangoon Domestic Service in Burmese 1330 GMT 22 Feb 90

[Text] KIA [Kachin Independence Army] insurgents have been disrupting peace and tranquillity, killing villagers, forcefully enlisting new recruits, and burning villages. On 1 and 2 January, in order to deter the escape of young new recruits who were forcefully brought from the jade mines, KIA insurgents barbarously carried out a killing on the hill near (Pa Hsang) camp where the KIA 6th Battalion headquarters was stationed. When a Defense Forces column cleared the area around the (Pa Hsang) camp of the KIA 6th Battalion on 13 February, it came across eight corpses in a killing field.

KIA insurgents killed innocent villagers and also some new recruits so that recruits would not dare try to escape. It is learned that the KIA insurgents had previously killed about 70 people and buried them on that hill.

Meanwhile, KIA insurgents have been planting mines to kill innocent villagers. On 16 February, while on his way to the forest, Maran Bawk, 35, of (Ajai) village in Myitkyina Township stepped on a mine planted by the KIA insurgents between (Ajai) and (Khawsi) villages. The mine severed his left foot. The man died on the way to the hospital.

Ministers Discuss Rice Trade in Ayeyarwady

BK0702043090 Rangoon Domestic Service in Burmese 1330 GMT 6 Feb 90

[Excerpts] Brigadier General Phone Myint, member of the State Law and Order Restoration Council [SLORC] and minister for home and religious affairs and for information and culture; Major General Aung Ye Kyaw, member of SLORC, minister for construction and cooperatives, and acting minister for health and education; Brig. Gen. Tin U, SLORC secretary-2; and Colonel Abel, member of SLORC and minister for trade and for finance and planning toured Ma-ubin, Myaungmya, and Pathein Townships in Ayeyarwady Division by helicopter today and discussed paddy procurement and transport facilities with local officials. The party returned to Yangon [Rangoon] in the evening.

The SLORC members and ministers were accompanied by Col. Kyaw Min, chairman of the Yangon Division Supervisory Committee for Bringing Down Prices; Col. Maung Maung, committee secretary; responsible officials from the Office of the SLORC; Col. Thura Pe Aung, director general of the People's Police Force; U Toe Kyi, managing director of the Myanmar Agricultural Products Trade Enterprise; responsible officials from the Department of Health, the Department of Basic Education, and the Public Construction Enterprise; and U Chun Sein and responsible persons from No. 2 Joint Venture Corporation. [passage omitted]

Members of the SLORC and ministers and their entourage held a coordination meeting with chairmen of the Township Law and Order Restoration Councils from Ma-ubin, Pantanaw, Nyaungdon, and Danubyu Townships in the conference hall of the Ma-ubin Township Law and Order Restoration Council and with representatives from No. 2 Joint Venture. Minister Brig. Gen. Phone Myint, Minister Aung Ye Kyaw, Minister Col. Abel, and Secretary-2 Brig. Gen. Tin U spoke at the meeting. They said they were undertaking the field trip to find out if the government programs are being correctly implemented in the lower levels and to study what kinds of problems are being met. They said the price of rice must be stabilized to ease the people's needs for food, clothes, and shelter and to stabilize prices of commodities. As Ayeyarwady Division is the major rice-producing region, it is necessary that the price of rice be stable in the division.

They added that although rice can be traded freely, the trading should be done at a reasonable price to enable the consumers to buy at a reasonable price and to benefit the rice-growing farmers. They said that currently the price of rice is not stable. They called for frank discussions on the problems faced in trading and distributing rice. They explained that the state would give necessary assistance. [passage omitted] After the meeting, the SLORC members and ministers and their entourage went to Myaungmya in helicopters and held a meeting with local representatives. [passage omitted]

At 1400, the SLORC members and ministers arrived in Pathein in helicopters and held a meeting with local officials in the Office of the Ayeyarwady Division Law and Order Restoration Council. [passage omitted] Speaking at the meeting, Minister Col. Abel explained the change in government policy on rice, and said free rice trading has been allowed under the open-door policy. However, it is necessary to observe the three basic trade policies of the state in trading and distribution. Since Myanmar [Burmese] rice is regaining its place in the world market, rice prices should not be so high that it cannot be sold in the world market. Legal channels have already been opened by the government so that rice can be sold overseas. Rice should therefore be sold through legal channels.

There are no strong reasons for rice prices to behave the way they are now. Prices are rising because the intent is only to make profits. Prices should be such that the public can afford them and that they can infiltrate the world market and be beneficial to the peasants. The reason that we have been helping the No. 2 Joint Venture Corporation, which is based on the Rice Millers Association, is to establish trading bases that will last for a long time. If all work fairly and work together, prices will stabilize.

Later, the secretary-2 delivered a speech. He said that not only was more rice cultivated this year than last year, but the yield was also higher. Since the government has already made sufficient purchases through the Myanmar Agricultural Produce Trading, there should be no concern over rice just because of rumors. We shall take effective measures to prevent and penalize those who take advantage of the free trading system to illegally sell rice abroad. The Myanmar Agricultural Produce Trading, the No. 2 Joint Venture, and the cooperatives should coordinate in procuring rice at fair regional market prices. It is necessary to be correct and efficient in carrying out tasks and to be effective like traders engaging in commercial work. Some rice traders and rice millers who do not observe the existing laws and regulations and work only for their self-interests will have to be educated, and action will be taken so that they will work within the framework of laws and regulations. Since commodity prices can only stabilize if the rice price is stable, those who deal in paddy and rice should not put their self-interests before those of the people. Rice should be bought and sold at prices that are beneficial to the peasants and on easy terms for the public.

The secretary-2 then discussed the situation of the changing political, social, and administrative systems in the country. The meeting ended at 1700. [passage omitted]

Air Force Commander, Delegation Return Home

BK2002142590 Rangoon Domestic Service in Burmese 1330 GMT 20 Feb 90

[Excerpt] A Myanmar [Burmese] delegation headed by Major General Tin Tun, commander in chief of the Air Force, arrived back in Yangon [Rangoon] at 1600 today from the Republic of Singapore after attending the fifth Asian Air Show at the invitation of Lieutenant General Winston Choo, chief of the general staff of Singapore and from a goodwill visit to the Royal Thai Air Force at the invitation of Air Chief Marshal Kaset Rotchananin.

Maj. Gen. Tin Tun and his delegation were welcomed at the airport by Lieutenant General Than Shwe, commander in chief of the Army; Maj. Gen. Aung Ye Kyaw, adjutant general; Brigadier General Khin Nyunt, director of Defense Services Intelligence; Brig. Gen. Myo Nyunt, commander of Yangon Military Command; Colonel Abel, director of military procurement; senior military officers; U Kyaw Aye, director general of the Office of the State Law and Order Restoration Council and responsible personnel; Singaporean Charge d'Affaires Mr. Lam Peck Heng and responsible personnel from the Thai Embassy. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Mahathir Protests Prince Charles Genocide Remark

BK2202115690 Kuala Lumpur BERNAMA in English 1020 GMT 22 Feb 90

[Text] Petaling Jaya, Feb 22 (BERNAMA)—Malaysia lodged an official protest over Prince Charles' allegation of genocide against the Penans in Sarawak because it is concerned that the charge made by a person of his position would be believed by the world community.

Prime Minister Dr Mahathir Mohamed said the world community might believe the allegation if the statement was not corrected.

"We feel hurt not because of the accusation that we are engaged in excessive felling of trees but because (Prince Charles) accused us of being involved in genocide against the Penans," he told reporters after attending the presentation of the Malaysian journalism awards here Thursday.

Dr Mahathir said the allegations were totally baseless.

A newspaper report yesterday said the protest was contained in a "full brief" sent to the British Commonwealth and Foreign Office by the Malaysian High Commission in London to be handed to Buckingham Palace.

Intelligence Chief Interviewed on Threat

BK1902111190 Kuala Lumpur UTUSAN MALAYSIA in Malay 2 Feb 90 p 9

[Exclusive interview with Major General Datuk Raja Abdul Rashid Raja Badiozaman, Armed Forces intelligence director, by UTUSAN MALAYSIA correspondent Aziz Ishak, entitled: "Who Is the Potential Threat to Malaysia?"—date, place not given]

[Text] Major General Datuk Raja Abdul Rashid Raja Badiozaman is considered an authoritative and highly respected person in the Malaysian Armed Forces (ATM). He graduated from Lancaster University, United Kingdom, with a masters degree in strategic studies. He has held several positions before his current appointment as the Malaysian Armed Forces intelligence director.

In 1987, the public was attracted by one of his articles questioning people's awareness on defense following an "intrusion" by a group of military personnel from a neighboring country.

In this interview, Maj. Gen. Datuk Raja Abdul Rashid comments on the question of defense awareness within the context of developing internal security at the international level.

The issues discussed concerned the laying down of arms by the Communist Party of Malaya (CPM), which currently poses numerous questions; the tussle for the Spratly Islands; the balance of power between the superpowers; and the "potential" threat in the Southeast Asian region.

[Aziz] As an intelligence organization chief and someone who has long been involved in that organization, what is your opinion concerning people's awareness of defense?

[Raja Abdul Rashid] In general, during the last two years, the government and people's awareness of defense is constantly increasing. It is possible that people are increasingly aware that national security in particular is everyone's responsibility. People's prompt action in providing information on sources of threat or questionable issues has reached an improved level. Such awareness is also found in security-related agencies. Those agencies have become more positive, open, and serious about defense and security related issues. One sees that, for example, during briefings.

At the governmental level, the plan to purchase defense equipment through a memorandum of understanding (MOU) with Britain was also considered an awareness of further strengthening the country's defense, as well as a guarantee of the people's well-being and the national interest.

[Aziz] From the military analysis, the laying down of arms by the members of the Communist Party of Malaya following the peace accord in Hat Yai, Thailand, on 2 December last year is not necessarily a most "gratifying" incident that should be heartily welcomed. What is your opinion in the context of defense awareness?

[Raja Abdul Rashid] The laying down of arms by the CPM is a result of their own development. The phase of armed struggle will undoubtedly end, but the phase of defending the ideology and communism will definitely continue. That is because the former members are still reluctant to dismantle the CPM, they still aspire to participate in the country's politics.

In my opinion, our future struggle in facing the CPM will be more difficult because the former members have the freedom to act as people who have left the jungle and as members of society. As such, we must constantly remain vigilant in order not to allow another subversive infiltration to occur, and we should also ensure that our community is not undermined by communist ideology.

[Aziz] Briefly, are the CPM's actions still considered questionable after the signing of the peace accord?

[Raja Abdul Rashid] It is too early to predict if they will honor their promise. We should allow a six-month period to observe developments and to confirm whether they have fulfilled their promise. We should also monitor their actions after they have been relocated to villages provided by the Thai Government. All the villages are located close to our border. I was informed that every village would be allowed to keep 45 to 50 firearms. This means that they will have about 200 firearms.

What is the purpose of leaving the jungle and living in villages with firearms? They said that it was for self-defense. The question is from whom? Do they still consider our security forces enemies? Are they not convinced by the Thai authorities' guarantee of security?

This is in contrast to the previous mass surrender by the Sarawak communists. They left the jungle and started a new life without weapons. Therefore, we should maintain constant vigilance, because laying down arms was only conditional.

[Aziz] Are you confident that the CPM will destroy their weapons before leaving the jungle?

[Raja Abdul Rashid] Based on history and experience since the establishment of the armed communist movement in this country, I do not think that the CPM will be absolutely honest in destroying all its weapons. For example, recounting the incident when the Sarawak communists surrendered, the terrorists who surrendered did not bring along with them all their weapons. They hid some of their weapons in the jungle. It is clear that they retained a contingency [preceeding word in English] plan. The security forces had to persuade them to reveal where the weapons were hidden. In fact, we had to search

and destroy the remnants of their hidden weapons. I think the CPM has a similar tendency.

[Aziz] Just now, you said that it would be more difficult to monitor the CPM movement in the future. Can you elaborate on that?

[Raja Abdul Rashid] The CPM leadership that agreed to surrender and lay down arms has been succeeded. We do not know the stand of the new leaders. I say this because following the agreements, Chin Peng himself had to go to the jungle to persuade his groups to accept the agreements. A question has emerged. Has Chin Peng lost his influence? Will a new leadership assume power if Chin Peng has lost his influence?

We cannot predict what form their struggle will take after this. In what way will they want to participate in political activities? Suppose they want to reside in southern Thailand. Will those who originated in this country return illegally or unofficially?

Of the 661 CPM-ML [Communist Party of Malaya, Marxist-Leninist] members who surrendered en masse to the Thai authorities and who are now living in five settlements, as many as 40 have entered Malaysia illegally. Their movements have been monitored. In fact, they have returned to meet relatives, and some of them wanted to start a new life. Will CPM members who have surrendered to the Thai authorities do the same?

As provided for in the agreements, they can return to Malaysia through a process and established channels. They cannot simply sneak in.

But I think that not many CPM members will choose to return legally to this country, because most of them have married Thai citizens and have closer ties with the Thai. Certainly, they will also not feel comfortable to face challenges in this country.

[Aziz] Some believe that the agreements benefit Thailand more, because it will not only allow the Thai to concentrate on the development of the southern part of the country, but also to focus their attention on the "threat" of Muslim fighters. What are your comments?

[Raja Abdul Rashid] It is difficult to compare who gets more and who gets less, because that is relative. In general, the two sides enjoy benefits. Our benefit is that we will be able to concentrate on development projects for the people, which we could not undertake because of the CPM threat.

As to the benefit to the Thai, they will clear the region of communist terrorists who threatened us and who also posed a problem for that country. The problem is not just about security, but involves socioeconomic aspects as well, because the CPM collected funds through extortion and recruited Thai youths as cadres.

Many Thais were also influenced to join the CPM, as can be seen from the CPM membership of Malaysians and Thais. Thus, the two countries enjoy benefits because the CPM is a common enemy. As to the Muslim fighters in southern Thailand, that is an internal matter for that country.

[Aziz] What might intelligence reports be indicating about the CPM's reactions to the 2 December agreements?

[Raja Abdul Rashid] I cannot disclose that. But certainly the CPM is quite happy over the many press reports about the CPM. Those reports were distorted by its radio station.

[Aziz] Brigadier General Lee Hsien Loong, Singapore's second minister for defense, recently said that the threat from communist ideology in Southeast Asia would be replaced by competition for natural resources. What are your comments?

[Raja Abdul Rashid] It is too early to predict that communism will no longer be a threat. The change and upheaval in communism is temporary. The change stems from the thinking of Mikhail Gorbachev, an influential communist leader. As long as Gorbachev is in power in Russia, his thinking will probably be implemented in that country. But we must also realize that some Soviet leaders do not agree with that line. We must see what will happen to "glasnost" and "perestroyka," which Gorbachev initiated, when he is no longer in power. In short, the possibility of the future Soviet leadership (after Gorbachev) reverting to the conservative line of rigidly developing communism and its influence remains "bright."

Nevertheless, I agree that upheavals and disputes in Southeast Asia will further intensify over the economic resources of the South China Sea area. For example, in the case of the Spratlys and Paracels, the dispute has arisen over overlapping claims. The area is said to be potentially rich in oil. They have been contested by communist and noncommunist countries and by big and small countries, such as China and Malaysia. Recently, China increased its strength in the Paracels and Spratlys by setting up more stable defense units.

China has also increased its military strength on Hainan Island close to the Paracels with a view to turning Hainan into a base that can demonstrate its power in the South China Sea. Is China not a big communist power? It continues to show its power, which can be viewed as a threat. While China is developing its strength in the South China Sea, the United States and the Soviet Union are gradually reducing their roles.

The United States has been prepared in recent years to reduce its strength. The Soviet Union has also begun withdrawing some of its equipment, such as fighters and warships from Cam Ranh Bay, Vietnam. The Soviet base in Cam Ranh Bay is probably no longer active and probably just a port of call for Soviet military personnel. It is no longer a base full of fighters and warships. At present, we are seeing a military balance among the big powers in the region.

[Aziz] Does this mean that Southeast Asia is still exposed to superpower threats from both outside and inside the Asian continent?

[Raja Abdul Rashid] The situation is not yet stable. The smaller countries cannot feel secure yet. Besides China, another country that we should pay attention to is India, which is increasing its naval strength to emerge as another power in Asia. Although India is situated on the Indian Ocean, its sphere of influence extends to the Andaman Islands, which are situated at the gateway to the Straits of Malacca. India might think that it should play a greater role in Southeast Asia and act as a big power to balance the role of China. It is common knowledge that China and India are not cordial friends and are competing with each other in military expansion. Such an uncertain situation has made every Southeast Asian country aware that it should have its own defense capability.

We cannot predict that the current collapse of communist ideology is something that will bring us comfort; instead, we have to continue to be vigilant.

[Aziz] If a superpower, the United States for instance, withdraws or reduces its role in Southeast Asia, will China be more aggressive in promoting its role in the region?

[Raja Abdul Rashid] This is what we are worried about. In view of the dispute over the Spratly and Paracel Islands, China certainly intends to own all the islands in the area. China intends to become an influential power in Asia. That certainly includes Southeast Asia, which is situated near it. China does not think that America or the Soviet Union have the right to become big powers in this region, because China feels that Southeast Asia is still under its protection. I think China will be successful in achieving its goal if it continues to expand its military strength and role.

[Aziz] Does that mean that America's presence in this region should remain to balance other powers that may eventually appear?

[Raja Abdul Rashid] America's presence is certainly needed, at least to balance other powers with contrasting ideology in this region. America's presence is also needed to ensure that shipping lanes are always safe and not disturbed by suspicious powers. The power balance is needed in this region to ensure that other powers that have far-reaching ambitions in Southeast Asia will not find it easy to act against countries in the region. But that does not mean that the countries have direct protection from America.

The balance of superpowers in this region will also enable Southeast Asia to continue to be stable and to enjoy peace and better economic growth in the future.

The existing American role should remain so as to ensure that the situation in Southeast Asia will still benefit America, which has investment interests in many countries in this region. I think America is aware that the Pacific region will become an economic zone in the 1990's, and by the year 2000. America's presence is also needed to prevent Japan from feeling threatened and expanding its army in a more aggressive way.

[Aziz] Malaysia also joined in claiming the Spratly Islands. How did our defense unit there perform at the time China increased its capability?

[Raja Abdul Rashid] The government is paying serious attention to our defense unit at the front line in the area concerned. The presence of our military unit there is not just to acknowledge that Malaysia has rights over those islands; Malaysia will continue and is stepping up the capability of our unit at the claimed territories.

The stepping-up exercise includes preparations for counterattack against land and air threats. The Royal Malaysian Navy also constantly patrols the area and will render aid when the need arises. We also use the radar system at all three small islands to detect any threat. A special aid program during emergencies has also been arranged.

[Aziz] In the dispute over the claim, can we say that Malaysia is having problems with several of its neighboring countries?

[Raja Abdul Rashid] We are having problems with Thailand, Indonesia, Vietnam, China, Brunei, Singapore, and the Philippines. But we are at the stage of solving the problem diplomatically. That is the main thing.

This type of problem is considered a bilateral one, and all countries involved have acknowledged and agreed to settle it through consensus.

[Aziz] What is your opinion of the tendency of some people to compare Malaysia's defense equipment with that of neighboring countries? Some believe that Malaysia lags behind, for example in "air power" [preceding two words in English], and may find it difficult to defend itself in case of a threat. In terms of defense consciousness, does such an assumption not endanger the country itself because it assumes that "the country has lost before fighting?"

[Raja Abdul Rashid] Indeed, such an attitude and assumption is harmful to the country. It is not wise or correct to measure the capability of a country in terms of equipment alone. A comparison between the equipment possessed by Malaysia and that of neighboring countries cannot serve as an accurate measure of the country's capability. A country that possesses more modern equipment is not necessarily stronger. In this context, every country has a certain readiness. I need to stress that the ATM has its own self-defense capabilities. For example, a strategy—and not just modern equipment—is important in a war.

Another major aspect is the morale of personnel. We need to maintain their morale, because they are the ones

who will carry arms and risk their lives for the country. If the morale of military personnel declines, they will not be able fully to concentrate their attention, bodies, and souls. Because of that, the ATM always stresses their morale and welfare. For that reason, facilities for them such as lodgings and camps need to be improved further.

[Aziz] Datuk, what about the activities of foreign military submarines around the country's waters?

[Raja Abdul Rashid] We are always in a state of alert. In terms of capability, we have taken further steps to conduct a more careful surveillance of any naval and air intrusions. What is certain is that our capability to detect intrusions will further increase with the planned purchase of defense equipment such as a radar system under a memorandum of understanding.

As for naval surveillance, the Royal Malaysian Navy has over the past two years enhanced its capability and played a more active role. Although it is not comprehensive, we have reached a level at which we can say that "we have a capability to conduct surveillance" because of our greater efforts. Naval surveillance needs to be enhanced further because we have vast areas of water. Thus, we need to possess a greater surveillance system covering the Malacca Straits, the South China Sea, and areas near Sabah as well.

The government's move to increase the "air power" [preceding two words in English] of the Royal Malaysian Air Force is another effort to consolidate the country's defenses against the ATM's strength.

Singapore

Foreign Minister Meets Cape Verde Counterpart

BK2102122490 Singapore Domestic Service in English 1100 GMT 21 Feb 90

[Text] The visiting foreign minister of the African state of Cape Verde called on the foreign minister, Mr Wong Kan Seng, this morning. Mr. Silvino Manuel da Luz is in Singapore on a 4-day official visit at the invitation of Mr Wong. At the meeting, the ministers discussed [words indistinct] efforts to strengthen bilateral relations. The ministers also talked about world developments and their implications on the smaller states.

During his stay, Mr. da Luz will visit the Trade Development and Economic Development Boards, the Housing and Development Board, and the Science Center.

Cambodia

Reportage on Hun Sen-Sihanouk Joint Communique

'Full Text' of Communique

BK2202051090 Phnom Penh Domestic Service in Cambodian 0430 GMT 22 Feb 90

[Quotation marks as received]

[Text] Phnom Penh SPK February 22—Chairman of the Cambodian Council of Ministers Hun Sen and Opposition Leader Prince Norodom Sihanouk signed a joint communique in Bangkok Wednesday [21 February] calling for the establishment of "a supreme national body in order to symbolise Cambodia's national sovereignty and national unity".

The communique also said that a "United Nations presence at appropriate levels in Cambodia is essential and should be encouraged".

Following is the full text of the joint communique, quoted by a special SPK correspondent in the capital of Thailand:

"His Royal Highness Samdech Norodom Sihanouk and His Excellency Hun Sen held a round of talks in Bangkok on the 21st of February 1990. The meeting was hosted by His Excellency General Chatchai Chunhawan, prime minister of the Kingdom of Thailand, at the Phitsanulok Mansion.

The meeting took place in a very friendly atmosphere. His Royal Highness Samdech Norodom Sihanouk and His Excellency Hun Sen expressed their most sincere gratitude to the glorious Kingdom of Thailand for the generous hospitality and all the arrangements making possible their meeting. In particular, they presented their heartfelt thanks to His Excellency General Chatchai Chunhawan, prime minister of Thailand.

His Royal Highness Samdech Norodom Sihanouk and His Excellency Hun Sen had a thorough discussion of events and examined the issues preventing the settlement of the Cambodian problem. They felt that there is now a better understanding of the issues involved that may lead, in the not too distant future, to a convergence of views on how to settle the Cambodian problem.

In order to factilitate further discussion on the settlement of the Cambodian problem, His Royal Highness Samdech Norodom Sihanouk and His Excellency Hun Sen have agreed to the following principles:

A. The U.N. presence at appropriate levels in Cambodia is essential and should be encouraged.

B. The establishment of a supreme national body is essential in order to symbolize Cambodia's national sovereignty and national unity.

C. Details of the aforesaid framework and points will be further discussed in the future.

Norodom Sihanouk and His Excellency Hun Sen expressed hopes that the upcoming informal meeting in Jakarta on Cambodia will produce good results and form the basis of the resumption of the Paris conference. They were encouraged by their discussions and have agreed to meet again in the coming months at a mutually acceptable time and place.]

Supreme Body Details Not Given

BK2102145890 Hong Kong AFP in English 1431 GMT 21 Feb 90

[By Michael Adler]

[Text] Bangkok, Feb 21 (AFP)—Phnom Penh Prime Minister Hun Sen and guerrilla leader Prince Norodom Sihanouk called here Wednesday [21 February] for the formation of a supreme national body to end Cambodia's decade-long war. The agreement after five and a half hours of discussion represented the closest the two leaders have come to uniting to govern together. Five previous meetings have ended with no agreement.

Fighting in Cambodia has escalated since Vietnamese troops pulled out from the country in September, 10 years after invading to topple the Chinese-backed Khmer Rouge and install a client government.

Sitting side-by-side a smiling Prince Sihanouk, 68, and Mr. Hun Sen, 30 years his junior, signed a joint communique calling for a "U.N. presence at appropriate levels in Cambodia," the setting up of a supreme national body and continuing discussion on these items. They did not provide details on the supreme body which would apparently include the warring Cambodian factions but said it was "essential in order to symbolize Cambodia's national sovereignty and national unity."

An Australian plan to set up an interim U.N. administration in Cambodia to prepare for general elections is a major theme in peace talks but would pose the problem of Cambodians maintaining sovereignty in their country.

The Cambodian leaders refused to comment to reporters present at the signing on the composition of the supreme national body.

Peace talks have previously faltered over a role for former genocidal rulers the Khmer Rouge, who form the military muscle of the tripartite guerrilla coalition which is fighting the Hanoi-backed regime in Phnom Penh. Mr. Hun Sen has rejected a role for the Khmer Rouge in an interim government saying this would help the group return to power and again practice its hardline Marxist policies which led to the deaths of hundreds of thousands of Cambodians during its 1975 to 1979 rule.

Vietnamese Deputy Foreign Minister Tran Quang Co told AGENCE FRANCE-PRESS in January of the supreme national body idea, saying it was aimed at joining the Phnom Penh regime with Prince Sihanouk's three-party coalition. He said this formula would allow the four factions to work together but not have Phnom Penh deal directly with the Khmer Rouge, since it would be dealing with the prince's Coalition Government of Democratic Kampuchea (CGDK).

At the same time the coalition, which joins the Khmer Rouge with non-communist followers of Prince Sihanouk and the Khmer People's National Liberation Front (KPNLF), would have a formula including the Khmer Rouge.

The Sihanouk-Hun Sen communique said they hoped international peace talks in Jakarta next week "would produce good results which would form the basis of the resumption" of the full-fledged Paris International Conference on Cambodia, which ended in stalemate in August.

They said "they felt there is now a better understanding of the issues involved that may lead, in the not too distant future, to a convergence of views on how to settle the Cambodian problems."

The two also agreed to meet again "in the coming months at a mutually acceptable time and place."

Thai Prime Minister Chatchai Chunhawan and Army chief General Chawalit Yongchaiyut stood behind the two Cambodian leaders in a Baroque-style room at the Ban Phitsanulok government offices.

Mr. Chatchai, who came to office in 1988 pledging to help end the war in Thai neighbor Cambodia, and Gen. Chawalit organized Mr. Hun Sen's visit to meet Prince Sihanouk, who is staying in Thailand on his way back to Cambodia after 10 years in exile.

The prince called the meeting to help speed up the peace process, Thai and Cambodian sources said.

In contrast with the friendly atmosphere at the talks here, a KPNLF statement issued as they were proceeding said Phnom Penh government troops had launched "a large scale counter-offensive" against its forces.

The statement said some 800 Phnom Penh troops, backed by "at least six T-54 Soviet-made tanks" and heavy artillery, had begun attacks Monday on the faction's forces in the area of Sisophon and Svay Chek, east of the Thai border.

Fighting had "decreased" Wednesday "but the situation remains tense," the statement said, adding that preliminary battlefield reports indicated 49 government soldiers and one guerrilla had been killed.

The fighting the KPNLF said was confined to the faction's defense lines, with Svay Chek, 30 kilometers (18 miles) away from the border "still under our full control."

This came as a denial of press reports that Svay Chek, a KPNLF stonghold on strategic Highway 69, which runs parallel to the Thai border, had been retaken by Phnom Penh forces.

The faction captured Svay Chek in December as the Khmer Rouge and its allies had stepped up attacks

against government troops in the wake of Vietnam's announced troop withdrawal in late September.

Phnom Penh has announced several times that government forces were to launch a counter-offensive against the guerrillas.

Communique Said 'Unexpected'

BK2202011590 Bangkok BANGKOK POST in English 22 Feb 90 pp 1, 3

[Text] Phnom Penh Premier Hun Sen yesterday suggested two options to Prince Norodom Sihanouk to overcome the sticky problem of power-sharing among Cambodians which has always been a major obstacle in resolving the 11-year conflict.

Although the power-sharing issue was not mentioned specifically in their joint communique issued yesterday, implicit reference was made when the communique referred to their agreement on the importance of a national supreme body.

An informed source told the BANGKOK POST last night that issuance of the communique was unexpected and was the idea of both the prince and Mr Hun Sen.

The source, who described the results of the meeting as "a step forward" in the Cambodian peace process that would pave way for the success of the Jakarta talks, said Mr Hun Sen proposed two options concerning Cambodian power-sharing.

According to the source, Mr Hun Sen proposed that the supreme national body comprise the two governments—Phnom Penh and the National Government of Cambodia (the resistance coalition).

Mr Hun Sen suggested that under this option, the Khmer Rouge could be included but not considered as a single faction.

The Phnom Penh premier suggested that under this option, the two existing governments (of the supreme national council) work with the United Nations in administering Cambodia.

Under the second option, Mr Hun Sen proposed that the supreme national body be comprised [of] "prominent Cambodians" made up of individuals of all factions including the Khmer Rouge.

Mr Hun Sen suggested that under the second option, the two governments would be dissolved and the supreme national body would work alongside the UN interim administration.

In response to the two options proposed by Mr Hun Sen the prince said that further negotiations are needed, the source said.

The source said at first the prince raised the issue of quadripartite government and a comprehensive solution.

The prince initially expressed concern over the quadripartite issue.

But as the meeting proceeded, in a positive atmosphere, the prince dropped the issue of quadripartite power sharing and agreed to discuss aspects of the supreme national council, the source said.

In response to the prince's concession on power-sharing, Mr Hun Sen agreed to discuss the UN role, the source said.

The source said Indonesia should be happy about the results of yesterday's meeting.

"Instead of agreeing to disagree, both agreed to agree in Jakarta," the source said.

Hor Nam Hong Comments

BK2202083990 Hong Kong AFP in English 0801 GMT 22 Feb 90

[By Charles-Antoine de Nerciat]

[Text] Bangkok, Feb 22 (AFP)—Cambodian resistance leader Prince Norodom Sihanouk should be prepared to back a settlement to end Cambodia's 11-year war even if the Khmer Rouge rejects the deal, a Phnom Penh official said here Thursday. [22 February] Assistant Foreign Minister Hor Nam Hong was commenting on Wednesday's agreement here on the broad principles of a settlement between Prince Sihanouk and Cambodian Prime Minister Hun Sen.

"Everything depends on the prince and whether he will have the courage to reach a solution even though the Khmer Rouge were dissatisfied with it," Mr. Hor Nam Hong told AGENCE FRANCE-PRESSE.

A resistance coalition groups the Prince, Cambodia's former monarch, with the Khmer Rouge and forces loyal to former prime minister Son Sann.

Prince Sihanouk and Mr. Hun Sen called in a joint communique Wednesday for the formation of a "supreme national body" to end the war between the resistance and the government installed in Phnom Penh in January, 1979, following Vietnam's invasion of its southwestern neighbour. The communique, signed after lengthy discussions in a Thai Government office between the Prince, 68, and Mr. Hun Sen, 38, also said a "U.N. presence at appropriate levels in Cambodia is essential and should be encouraged."

"But I have the fear that the prince might reconsider this after talks with the Khmer Rouge and China," Mr. Hor Nam Hong said.

A non-Communist Cambodian guerrilla source said the communique and the discussions were "positive," but little substantive progress had been made. "The communique is deliberately vague. To satisfy our Thai friends, an accord was necessary, but we wanted it to remain vague," the source said, referring to Thai Prime Minister

Chatchai Chunhawan's efforts to bring together the warring Cambodian factions.

Mr. Chatchai and Thai Armed Forces Chief General Chawalit Yongchaiyut were present when Prince Sihanouk and Mr. Hun Sen signed their joint communique after talks that lasted more than five hours.

The guerrilla source said Prince Sihanouk, who has said he will return to Cambodia Friday to live in an area controlled by his forces, had repeated in the talks an earlier call to dismantle the Cambodian Government. This suggestion has been constantly rejected by Phnom Penh.

The supreme national body is described in the communique as "essential in order to symbolize Cambodia's national sovereignty and national unity." But the guerrilla source said the prince had told Mr. Hun Sen that a supreme national council would have to control "governmental powers," as the only alternative to an interim government including Khmer Rouge representatives.

Phnom Penh has rejected the idea of Khmer Rouge participation in any government. The Khmer Rouge is blamed for acts of genocide when it held Cambodia under a fanatical Marxist rule between 1975 and 1979.

An International Conference on Cambodia in Paris broke up in stalemate last year over the role of the Khmer Rouge, the guerrilla coalition's military muscle.

Mr. Hor Nam Hong said the Paris conference could be revived if the guerrilla alliance stood by the communique signed by Prince Sihanouk and Mr. Hun Sen in upcoming meetings on Cambodia in Jakarta. The Jakarta meetings next Monday to Wednesday are to gather the warring Cambodian factions, Vietnam and Laos, together with Southeast Asia's non-Communist countries, Australia and France.

France is to attend, as it was the co-chair with Indonesia of the Paris conference, and Australia will take part because it has proposed a peace plan calling for Cambodia to be put under an interim U.N. administration to pave the way for elections.

The Khmer Rouge has charged that Vietnam wants to use future peace discussions to obtain recognition of Hanoi's announced troop withdrawal from Cambodia in late September.

The faction, which has disputed the pullout, has also said Vietnam would never agree to dismantling the Phnom Penh regime, claiming that Hanoi wants its "puppet government" to continue in Cambodia.

In what analysts said could be a move to parry speculation that Prince Sihanouk's meeting with Hun Sen signalled a switch in the prince's alliance, the Khmer Rouge's clandestine radio emphasised joint attacks by the Khmer Rouge and Sihanoukist fighters in a report monitored here. The Wednesday broadcast reported several attacks conducted "in cooperation" by the two factions Wednesday and Thursday last week in northwestern Cambodia.

SPK Reports Ryzhkov Statement on Cambodia

BK1902081490 Phnom Penh SPK in French 0406 GMT 19 Feb 90

[Text] Phnom Penh, 19 Feb (SPK)—"The Soviet Union is ready to contribute its share to the search for an equitable and mutually acceptable solution on the basis of balanced interests and reasonable compromises, taking into account the realities in Indochina."

This affirmation was made in Singapore by Nikolay Ryzhkov, chairman of the USSR Council of Ministers, at a reception recently hosted in his honor by Singapore Prime Minister Lee Kwan Yew.

Ryzkhov stressed:

Settlement of the Cambodian problem will promote detente in Southeast Asia and pave the way for the realization of ideas on transforming this region into a non-nuclear zone of peace, freedom, and neutrality.

The Soviet Union is fully convinced by these ideas and ready to facilitate their realization.

Army School Sums Up Emulation Achievements

BK2002074390 Phnom Penh Domestic Service in Cambodian 1200 GMT 19 Feb 90

[Summary] "A solemn meeting was held at the Army Political School recently to sum up emulation movement achievements during 1989 in the presence of Colonel Chieng Am, deputy chief of the Cambodian People's Armed Forces [CPAF] General Political Department; Lieutenant Colonel [Lt. Col] Neang Eng, director of the CPAF Political School; and Major Chey Son, deputy director of the army political school."

Representatives of outstanding units and individuals, comrades representing the authorities of Dei Et Commune where the school is located, and many cadres and combatants of the school were present.

After School Director Lt. Col. Neang Eng had made his opening speech, his deputy, Maj. Chey Son, presented a report summing up the school's emulation achievements.

Col. Chieng Am then addressed the participants, and praised the school for its rapid development. He said he also appreciated the dedication of the instructors and school leaders in turning trainees into good cadres and good combatants.

After the speech, the meeting presidium conferred Defense Ministry citation certificates on outstanding units, individuals and others.

Military Situation in Banteay Meanchey Reported

BK2202055890 Phnom Penh Domestic Service in Cambodian 2300 GMT 21 Feb 90

[Excerpt] The current military situation in Banteay Meanchey Province is marked by our Cambodian People's Armed Forces' [CPAF] positions of strength, victory, mastery, and firm defense of localities.

Recently, the CPAF, which is establishing a firm footing in Banteay Meanchey Province, dealt heavy blows to the three Cambodian reactionary groups on a number of battlefields. Between 13 and 14 February, our Armed Forces launched sweep operations against the three reactionary groups in Dang Aranh, Mkak, and Bos Sbouv. As a result of these operations, we killed 45 enemy soldiers, wounded many others, and seized 10 assorted weapons, including two M-84's, and a large quantity of war materiel. [passage omitted].

Military Operations on 16, 20 Feb Reported

BK2102141890 Phnom Penh Domestic Service in Cambodian 1300 GMT 21 feb 90

["Report from the front line"]

[Text] According to news sources in Banteay Meanchey Province, in order to crush the stubbornness of the three groups of enemy remnants who continued to rear their heads in conducting sabotages inside the country, the three categories of our Armed Forces in Banteay Meanchey Province laid ambushes and launched sweeping operations against them, causing serious setbacks to the enemy.

On 16 February, the provincial Armed Forces in cooperation with Siem Reap-Oddar Meanchey Province and the fighting police forces launched an attack against the enemy beyond Phnum Srok, killing 22 enemy soldiers, wounding 35 others, and seizing a large quantity of war materiel.

In particular, on 20 February, the Armed Forces of the 4th Military Region conducted a search-and-destroy operation in the Boeng Sandek area north of Soeng. As a result, our Armed Forces killed five enemy soldiers on the spot, wounded 15 others, and seized six B-40 ½ shells, 60 82-mm mortar shells, and a large quantity of war materiel.

The successive serious setbacks of the three reactionary Khmer groups on every battlefield have further deteriorated their manpower and demoralized their men, thus plunging all their perfidious ambitions and maneuvers into a bottomless abyss of defeat. By contrast, the victories of our Armed Forces have further strengthened the faith of our people in the position and strength of the Armed Forces, their solid defense bulwark, and have further filled our cadres and combatants with pride and made them more determined to ensure safety and security for the people.

19 Feb Military Operations in Banteay Meanchey

BK2202144090 Phnom Penh Domestic Service in Cambodian 1300 GMT 22 Feb 90

[Text] According to news sources in Banteay Meanchey Province, through experience and success won by the use of combined forces, combined means, and combined measures, the armed forces of Banteay Meanchey Province—including the regular and regional forces, militia and police forces, and the local population—cooperated with each other in launching a search-and-destroy operation both inside and outside the defense perimeters on 19 February. Our combined forces clashed with and chased the enemies out of the battlefields in several places. We are now firmly in control of these localities, including Kbal Khting, Ta Ben, Ta Vong, Svay Khmau, Kouk Prich, Banteay Siem, Slar Kram, Kouk Khmau, Prasap, Krakaoh, and Kamnap.

We still have not received detailed information on the outcome of the operation. The sources, however, revealed that our forces killed and wounded hundreds of enemy soldiers and seized dozens of assorted weapons and dozens of tons of ammunition along with a large quantity of war material.

In Siem Reap-Oddar Meanchey Province, because we clearly knew the plan of the enemies and the whereabouts of their hideouts, the provincial armed forces fired artillery barrages accurately at these targets on 19 February, forcing the enemies to flee in all directions and inflicting heavy losses in terms of manpower and materiel on them.

These successes have further affirmed the superior position and strength of our State of Cambodia. By contrast, they constitute a serious blow to the enemies who continue blindly to nurture their adventurous ambitions.

'Intelligence Sources' Report on SRV Presence

BK2202012190 Bangkok THE NATION in English 22 Feb 90 p 2

[Text] Vietnam has sent troops back into Cambodia to reinforce besieged Phnom Penh forces fighting resistance guerrillas in the northwestern part of the country, Asian diplomatic and intelligence sources told THE NATION.

The sources confirmed a report published in yesterday's edition of INTERNATIONAL HERALD TRIBUNE [IHT] that Vietnamese troops have again become involved in fighting in Cambodia despite repeated assertions by Hanoi that its forces were withdrawn in September, last year.

IHT quoted Asian diplomats in Singapore as reporting that the Vietnamese troops intervened to help prevent guerrillas from capturing key towns in western Cambodia.

The loss of any major population centre would severely weaken the bargaining position of the Vietnamese-supported government in Phnom Penh in the next round of informal international peace talks on Cambodia due to start in Jakarta on Monday [26, February], according to the IHT report.

Bangkok-based intelligence sources told THE NATION that the Vietnamese reinforcements were sent from South Vietnam late last month and appeared in Cambodian government's uniforms in Battambang and Banteay Meanchey provinces.

It appeared to be the first of the Vietnamese force sent back to Cambodia following September's major pullout, the sources said.

"The number of the Vietnamese returnees were not known just yet but from our intelligence reports, we believe they amount to no less than 3,000," said one source who spoke only on the condition of anonymity.

IHT, quoting Asian and Western officials, estimated that there are now about 20,000 Vietnamese troops, disguised as Cambodian government troops. But the intelligence source said that his figure for the Vietnamese soldiers left behind by Hanoi at the end of September was at least 7,000.

"Given the arrival of at least 3,000 fresh Vietnamese troops, it appears that there are now at least 10,000 Vietnamese soldiers inside Cambodia," the source said.

He added that Vietnam and the Phnom Penh government covered up the entry of the Vietnamese arrivals under a government campaign to recruit young Cambodian people into its weakening Armed Forces.

Also late last month, the Soviet Union delivered five MI-17 helicopter gunships to the Phnom Penh force. The helicopter gunships were unloaded from Soviet cargo ships at the Cambodian deep-sea port of Kompong Som in the Southwest and are now based in Phnom Penh, the source said.

The delivery brought to about 10 the USSR-made helicopter gunships used by the government force against guerrillas of three resistance forces—the Khmer Rouge, the Khmer People's National Liberation Front (KPNLF) of former premier Son Sann and the Army of Nationalist Sihanoukists (ANS) loyal to former monarch Prince Norodom Sihanouk.

The government has also stepped up air transportation of weapons and logistic supply from Phnom Penh to its forces defending Battambang and Siem Reap, the source said.

The heavy military hardware was airlifted by Soviet-made AN-26 transport planes to the airports of the two besieged provincial capitals, which are now isolated from Phnom Penh through highways and railways, the source said.

In Washington, a State Department official said that the United States was concerned that "the Vietnamese are becoming more active once again militarily following what they claimed was their complete withdrawal."

The United States called last week for the establishment of a demilitarized zone in and around the historic Angkor Wat temple site in northwestern Cambodia following reports that fighting appeared imminent between the Khmer Rouge guerrillas and government units reinforced by about 1,000 Vietnamese soldiers.

On a visit to Thailand last month, Tran Quang Co, a deputy Vietnamese foreign minister, denied that any Vietnamese soldiers were in Cambodia. "We have withdrawn troops and advisers totally and we will never come back," he said.

But Western and Asian officials, guerrilla sources and journalists recently in Cambodia say that there is growing evidence of a Vietnamese military presence, both in combat and as advisers to the Cambodian army, IHT reported.

It added that a correspondent for JANE's DEFENCE WEEKLY reported from Phnom Penh earlier this month that almost 10,000 Vietnamese special forces troops were sent to Cambodia at the request of Phnom Penh late last year to prevent the fall of Battambang and Sisophon.

Both cities, strategically located in western Cambodia, have been under persistent attack by the Khmer Rouge and its non-communist partners.

The JANE's correspondent said he was told by residents of Battambang, Cambodia's second-largest city and the centre of a productive rice-growing area, that the Vietnamese forces were "very tough, highly disciplined" troops.

A Cambodian military source in Battambang said that the Vietnamese reinforcements were needed to prevent the Khmer Rouge from capturing the city, according to IHT.

Sihanouk Statement on Military Situation Cited

BK2102045790 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 20 Feb 90

[Text] Samdech Norodom Sihanouk, leader of the Cambodian national resistance movement and president of Cambodia, on 17 February informed a Chinese correspondent in Bangkok about the military situation of the tripartite Cambodian resistance on the battlefield.

The samdech said the morale of the Vietnamese and puppet troops is currently very low. These troops have deserted the battlefield and cannot win back the territory they have lost. The tripartite Cambodian resistance forces have the edge and are moving toward liberating their nation and motherland. The samdech further said that the tripartite Cambodian resistance forces have

scored great victories and have won immense support on the battlefield; they can expand the liberated zones further. The samdech stressed that the Cambodian resistance forces possess a lofty spirit of sacrifice in the struggle to defend Cambodia's independence, sovereignty, and territorial integrity while the Vietnamese and their puppet Heng Samrin are trying every means to defend their own interest in Cambodia. The resistance forces have proposed the dissolution of the two governments in Cambodia, namely the legitimate Cambodian national government and the puppet government Vietnam has illegally propped up in Phnom Penh, and the dispatch of a UN peacekeeping force to Cambodia. However, this proposal was rejected by Vietnam and its puppet.

Sihanouk States Plans To Live in Two Villages

BK2202011990 Bangkok BANGKOK POST in English 22 Feb 90 p 3

[Text] Prince Norodom Sihanouk announced yesterday that he will be living in two villages named "Freedom" and "Independence" when he ends his exile and returns to Cambodia tomorrow.

In a statement released yesterday, he said, "I shall have two houses located in different villages."

He said there are not many people in the villages where he will live.

Prince Sihanouk also claimed the resistance currently occupies one-third of Cambodia and described as "not true" statements that the Heng Samrin regime controls one-ninth of the country.

"The Khmer Rouge Army has succeeded in liberating hundreds of villages" as well as hilly and uninhabited forest regions away from the Thai-Cambodian border.

He said these areas are in Koh Kong, Pursat, Kompong Speu (near Phnom Penh), Kompong Thom, Kompong Chhnang, Kompong Cham, Kampot as well as Battambang, Siem Reap and Oddar Meancheay.

He also stressed that his forces were defending the western Cambodian town of Svay Chek.

Attack on Heng Samrin Bases Reported

BK2002102590 Bangkok BANGKOK POST in English 20 Feb 90 p 7

[Excerpt] Aranyaprathet—Four soldiers of the Khmer People's National Liberation Front (KPNLF) were killed on Sunday [18 February] and six others wounded during an attack on three Heng Samrin strongholds along Cambodia's Highway 5.

KPNLF forces have attacked Ban Soriya, Ban Yeang Dangkum and Ban Nimit along Highway 5 since February 15 and encountered heavy retaliation by Heng Samrin forces using mortar and ground-to-ground multirocket shells.

About 80 shells landed in the largest black market in the region, located inside Cambodia across border markers 44 and 45 in Ban Nong Chan in Ta Phaya District, 20 kilometres north of Aranyaprathet.

The KPNLF soldiers killed and wounded were part of the Sixth Regiment under the command of Maj-gen [major general] Rai Vira.

Two Cambodian traders at the black market were also killed and six others wounded, including one monk.

There were no reports about casualties among Thai traders, who were later warned to be careful as fighting in the area is expected to continue. [passage omitted]

Svay Chek Battlefield Situation Reported

BK2102063390 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 21 Feb 90

[Text] It has been learned today that the Heng Samrin regime's armed forces are trying to recapture two bases from the Khmer People's National Liberation Armed Forces [KPNLAF] in Toap Siem and Kakaoh villages in Sisophon District.

According to a report, the Heng Samrin forces captured the KPNLAF base in Toap Siem village yesterday morning, 20 February. However, the KPNLAF seized it back in the afternoon of the same day, taking some war materiel from the enemy.

The same report also revealed that this morning, 21 February, Heng Samrin troops are attacking the KPNLAF in an attempt to recapture Kakaoh village. Fierce fighting is going on. The report went on to stress that no remarkable development has taken place at Svay Chek commune which has also come under enemy attack.

More on Svay Chek Developments

BK2202015390 Bangkok BANGKOK POST in English 22 Feb 90 p 7

[Text] Fighting for the strategic Western Cambodian town of Svay Chek has decreased but the situation remains tense, a spokesman for the Khmer People's National Liberation Armed Forces [KPNLAF] said yesterday.

In a statement issued yesterday following reports that Phnom Penh troops had recaptured Svay Chek, Ok Serei Sopheak said:

"Enemy attacks have been confined to only our defence lines located about 10 kilometres south and 20 kilometres east of Svay Chek."

"We repeat that the town of Svay Chek is still under our full control," he added.

The KPNLAF spokesman said that on February 19-20, about 1,300 "Vietnamese-Heng Samrin troops"

launched a "large-scale counter-offensive" against the KPNLAF forces defending the town.

He said the counter-offensive came from three directions.

On February 19, Phnom Penh troops attacked from two directions.

The first attack came from Preah Net Preah, Sala Krau and Bos Sbouv—located about 15 km east of Sisophon on Route 6.

This force was met by KPNLAF elements from Operational Zone 5 and Special Regiment 806.

At the same time, Heng Samrin troops from Phnum Srok, Pou Bon and Prapaing Thmar, located about 20 km from Svay Chek launched their attack.

They were countered by KPNLAF forces from Operational Zone 3 and 7, the spokesman said.

Ok Serei Sopheak said that on February 20, Heng Samrin troops from Sisophon, Mkak Bridge and Changha, located about 10 kilometres south of Svay Chek, were put into the counter-offensive and were countered by a special commando unit, the First Brigade and forces of Operational Zones 1 and 6.

Ok Serei Sopheak claimed that to date 49 Heng Samrin soldiers had been killed and 20 wounded. Another 28 were captured, he said.

The KPNLAF, he said, suffered one dead and eight wounded.

He claimed that the resistance captured one of at least six Soviet-made T-54 tanks used in the counter-attack which he described as being "supported far more than ever before" by all kinds of heavy artillery and many BM 21 rockets.

Meanwhile, a KPNLF [Khmer People's National Liberation Front] source in Aranyaprathet said yesterday that part of its troops had withdrawn from Svay Chek on Tuesday [20 February].

KPNLF sources said that during the past three days a large number of Phnom Penh troops of the 11th Regiment of the 179th Division from about 3 km north of Sisophon and reinforcements from the 330th Division in Pailin moved along Route 5 to Route 69.

They were heavily equipped with artillery pieces, mortars, rocket launchers, V150 armoured cars and T-54 tanks. Heavy fighting took place in the vicinity of Route 69 on which Svay Chek is situated.

The sources said three KPNLF soldiers were killed and eight wounded in the fighting.

The KPNLF said resistance fighters were still able to resist the attacks but some of the 1,000 KPNLF soldiers of the 801st Special Combat Regiment under Maj-Gen [Major General] Khuan Ruan had withdrawn about 2 km from Svay Chek to O Sre Noy canal.

Phnom Penh radio broadcasts yesterday said government forces had recaptured two important positions, one in Preah Vihear Province and the other near Sisophon, but did not specify whether Svay Chek had been recaptured.

The radio said Sai Buthong, first deputy chairman of the People's Assembly in Phnom Penh, travelled to Preah Vihear on Monday to give moral support to the Heng Samrin troops.

Asked to comment on the Svay Chek counter-offensive, Phnom Penh Premier Hun Sen, who met Cambodian resistance leader Prince Norodom Sihanouk in Bangkok yesterday, said he did not know any details of the fighting.

DK Forces-ANS Combat Cooperation Reported

BK2202025790 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 21 Feb 90

[Text] On 14 February, the forces of Democratic Kampuchea [DK] in cooperation with the Sihanoukist National Army [ANS] attacked and swept the Vietnamese enemies and their puppets off areas from Ta Pang to Thnal Dach on Route 68 in Kralanh District [Siem Reap Province], killing seven enemy soldiers, wounding some others, destroying three ammunition depots containing three tonnes of ammunition, liberating three company positions and two platoon positions, and seizing eight AK's, two B-67 rocket launchers, two AR-15's, and some war materiel. We liberated six villages—Dang Kaol, Ta Pang, Chranea, Kouk Pheas, Tnaot Chrum, and Kouk Pheas [names as heard]—and freed 90 village and commune administrators.

On 15 February, DK forces in cooperation with the ANS attacked and totally smashed two Vietnamese-puppet positions at Thlok and Smach villages in Srei Snam District. We killed three enemy soldiers, wounded some others, and seized an 80-mm mortar, an RPD, four AK's, and some war materiel.

Also on 15 February, DK forces in cooperation with the ANS ambushed two Vietnamese-puppet battalions moving from Srei Snam and Chong Kal Districts, killing five enemy soldiers, wounding some others, and seizing a B-40, a B-41, and some ammunition and war materiel.

Indonesia

Technical Team To Go to PRC in 'Near Future'

BK2102151790 Jakarta Domestic Service in Indonesian 1500 GMT 21 Feb 90

[Text] The Indonesian Government will send a technical team to Beijing, China, in the near future to settle

various problems, particularly debts, which still stand in the way of reopening diplomatic relations between the two countries.

Speaking after a hearing with Commission I [in charge of foreign affairs, defense, and information] of the House of Representatives of the Republic of Indonesia in Jakarta today, Wiryono [director general for political affairs of the Foreign Affairs Department] said that the technical meeting would probably take place in Beijing next month and that the Indonesian delegation would be dominated by officials of the Finance Department and Bank of Indonesia.

Alatas Cited on PRC, Khmer Talks, Malaysia

BK1102085590 Jakarta THE JAKARTA POST in English 6 Feb 90 p 1

[Text] Jakarta (JP)—Foreign Minister Ali Alatas hinted yesterday that normalization of diplomatic relations between Indonesia and China could take place this year.

In a hearing with members of the House of Representatives (DPR), Alatas said the two countries needed one more technical meeting on a "small item" before their respective foreign ministers would meet.

"And when the two foreign ministers meet the topic would be predictable, that is, the date of the normalization," Alatas said in answer to a question from a DPR member.

The first technical talks were held here in December after President Suharto signaled it was time for the restoration of relations in February last year.

Sino-Indonesia relations were frozen in 1967 after Jakarta accused Beijing of complicity in an abortive communist-backed coup attempt two years earlier.

A small team would shortly go to Beijing to discuss financial problems, Alatas said.

"The next would be a meeting between the two foreign ministers either in Beijing or Jakarta."

Alatas said he would discuss with counterpart Minister Qian Qichen in the near future a date for the meeting.

"When precisely the normalization will take place we still do not know but it is fair to anticipate that it would happen this fiscal year," Alatas said.

The Foreign Ministry has earmarked eight billion rupiah (about US$4.4 million) from its budget for the opening of an embassy in Beijing.

It was the duty of the ministry, Alatas said, to project its expenses every year including moves for normalization without any intention to precede a decision by the president on the matter.

In answer to another question about Indonesia's perception of potential external threats, Alatas said they would likely come from the north and were commonly linked to China but the problem "is not as simple as that."

There were four powers in a state of equilibrium in the northern areas above Indonesia, he said.

"The threat will come if the equilibrium is disturbed," he said, "for instance, if Japan suddenly becomes a nuclear power."

Minister Alatas yesterday rejected perceptions that the upcoming informal meeting on Cambodia here was the continuation of JIM (Jakarta Informal Meeting) 1 and JIM 2 or the expansion of the two meetings.

Alatas said the forthcoming meeting slated for Feb 26 to 28 should be called the Informal Meeting on Cambodia (IMC) in order to dismiss any impression that the meeting was a continuation of JIM.

The meeting was called following the agreement of all four warring parties to accept an Australian proposal to involve the United Nations in a solution to the 11-year conflict.

Alatas said he was still waiting for confirmation of attendance from the prospective participants: the four Cambodian factions, Vietnam, Laos, the six members of ASEAN and France, which with Indonesia cohosted the Paris international conference on Cambodia in August.

Australia had been invited as a "resource delegation," the minister said.

The IMC will serve as a preliminary meeting before a future international conference format, Alatas said.

The Paris conference was adjourned for six months after the Cambodian factions failed to agree on the key issue of an interim government that would hold general elections.

Minister Alatas also yesterday urged Malaysia to resolve pending bilateral issues.

"We should not take for granted the very good relations we have with Malaysia and use them as an excuse to neglect pending issues between the two countries," he said.

Pending problems included the need to finalise the delineation of a common border with Malaysia in Kalimantan, the overlapping claims of two small islands in the South China Sea, fishing rights for Indonesians and the detainment of Indonesians in Malaysia, Alatas said.

"These problems, if not handled, could become a source of unnecessary friction," the minister said.

Hundreds of thousands of Indonesians work in Malaysia, mostly as plantation workers.

The Malaysian government last month executed an Indonesian for smuggling marijuana. Indonesia was told of the case only after he was sentenced.

Alatas said one prospective topic for discussion was the possibility of Malaysian authorities informing Jakarta earlier about impending trials involving Indonesian citizens to give time for its consulates to provide legal assistance.

Laos

Kaysone Phomvihan Article on Control Work

Installment One

BK2102075990 Vientiane Domestic Service in Lao 0030 GMT 6 Feb 90

[First part of article by Kaysone Phomvihan, chairman of the Council of Ministers, published in ALOUN MAI magazine; date not given—from the "35th Founding Anniversary of the Lao People's Revolutionary Party Program"]

[Text] In implementing the modification and construction of socialism in our country, the Lao People's Revolutionary Party has always firmly adhered to the richest legacy of Marxism-Leninism and lessons drawn from the application of Marxism-Leninism in fraternal socialist countries. Since Marxism-Leninism is a genuine scientific revolutionary theory of the era, it provides detailed answers to many questions on organizing social construction in countries that have been liberated from colonialism and from regimes that rely on the exploitation of laboring people.

In this regard, Marxism-Leninism first emphasizes the significance of organizing the production of materials and valuable assets in society. In other words, it starts from the intensification of discipline and social order. Society cannot move if the movements in all forms of material production and others are not affected by the tools of social organization or social control. In every phase of its expansion, human society must always apply control mechanisms in the form of specific control bodies as well as in all of society's organizational systems to all people and individuals.

The objective of control work, in the social aspect, is to gather information on all movements in society and social organizations, and to collect and compare information from various sources on the movements in society and their designated objectives, including the observance of standards of social order and customary and legal norms. Control work is a tool to discover the causes of weak points and violations of social order and principles in order to find measures to eliminate these weak points. However, the objective of control work, in the social aspect, cannot be considered separately from historical conditions in every aspect. In a class society, control work will always distinctively show its class characteristics.

In line with this, Lenin wrote: The major problem of control work is who controls whom, or which class controls and which class is controlled. The principle of this theory is not only significant theoretically, but also in concrete practice. Marxism-Leninism's general idea is that control work is an extensive network of state institutions which includes guidance systems for politics and state management, social organizations, and others. Control work, as a mechanism for the modification of social development, grows and expands along with society's production and [words indistinct] sources of materials. In other words, control work is an ordinary social phenomenon, and it is always determined by each country's production capacity.

Generally speaking, control work is extremely important to the management system of social movements. However, the significance of control work is even greater after the exploiting class has been toppled and the people's ruling power and proletariat dictatorship have been established. Scholars of Marxism-Leninism have laid down the theoretical foundation for the necessity of control work in the construction of socialism and communism, the peak of socialism. Lenin paid a great deal of attention to the problems of organization, survey, and control undertakings in different phases of the socialist revolution, including the transitional period. To carry on and clarify the general idea of Marxism on active and systematic control work in the future classless society, and based on his research on all objective rules for the expansion of history, Lenin not only reaffirmed the necessity of democratic control work in every aspect of social movement under the socialist system but also laid down principles for the organization and procedures of control work.

Installment Two

BK2102100590 Vientiane Domestic Service in Lao 0030 GMT 8 Feb 90

[Continuation of article by Kaysone Phomvihan, chairman of the Council of Ministers, published in ALOUN MAI magiazine; date not given—from the "35th Founding Anniversary of the Lao People's Revolutionary Party Program"]

[Text] Lenin noted that proper organization, survey, and control work is a fundamental problem of the socialist revolution in the construction of a new socialist regime. He wrote that survey and control work must be collectively and comprehensively carried out by the council of representatives of workers, military, and peasants, which is the state's supreme administrative body. It can also be done by agencies authorized by the administrative power in all localities to gauge and control the use of labor and the distribution of products. This is the true objective of socialist transformation under which the political administrative power of the proletariat class must be revived and guaranteed. Lenin's concept of control work was born under conditions where the proletariat class emerged as victor, and it comprehensively expanded in the Soviet Union and other countries later as they moved toward socialism. The Lao People's Revolutionary Party [LPRP] has been fruitfully applying Leninist principles in organization and control work and other additional lessons in socialist construction drawn by fraternal socialist countries.

In order to achieve the goal of socialist transformation and construction in our country, the initial process of control work in the Lao People's Democratic Republic

[LPDR] is its implementation in the democratic form. Primarily, it is aimed at monitoring the implementation of the party's undertakings. Control work has been successful to a certain extent. However, the rapid expansion of the popular democratic system and broadening of the party and state's influence in the spheres of production, economy, finance, and management require modifications to control and supervision work. Both the party and government have therefore decided to establish party and state control organizations in the country to apply Lenin's thoughts with the detailed conditions of the expansion of socialist revolution in our country. The main function of the party and state control system is the implementation of the party's resolutions and directives and the government's decrees and laws as well as the state's socioeconomic development plans, namely the LPRP's second development program.

What is the true essence of Lenin's principles for organization and control work? First of all, Lenin believed that we must admit that control work is not a temporary or special measure and that it should not be carried out only by specific control agencies. On the contrary, control work is the indispensable ingredient to the organizational work of the party, state apparatus, and mass organizations involving leading cadres at all levels. Lenin's teachings regarding control work are concerned with people and the implementation of concrete tasks and can be applied to build special strength during a transitional period, as is taking place in the LPDR. Under present conditions, the state and social control work have projected a clear picture of the power of our workers and peasants, who are the genuine owners of the entire country and its natural resources. It is a fact that the party and state control agencies have attracted the laborers to gather under the state management and macroeconomic management systems.

Lenin considered that the nature of the masses in its entirety is the most crucial principle and most important factor in establishing control mechanisms in a new society. He called on workers, peasants, and laborers in the entire country to become owners of their own country. He wrote: Comrades must try to comprehend control work and monitor production and the distribution of production. Only by so doing can they be on the path to victory in socialism and guarantee the victory of socialism and the victory over every form of oppression and exploitation, shortages, and poverty.

Lenin's teachings primarily deal with the true nature and essence of the new social system. The problem is that under the conditions of exploitation and oppression and—worse still—colonization, the masses lack interest in producing and economizing their material products to serve the interest of the proletariat class and people of other strata. Consequently, the laborers are indifferent to the movements of factories and organizations, the phenomena of corruption and irregularities. Moreover, they even regard [words indistinct] as a means to demonstrate their discontent to counter oppression and exploitation. Following the victory of the revolution, the people, workers, and peasants have become the genuine owners of the country. The control work must [words indistinct]. It is necessary to educate laborers on the new attitude toward labor and discipline. Under such conditions, leading cadres and individual citizens will not only have to study and participate in resolutions, regulations, laws, and the election of representatives to offices of power and state management organizations, they will also have to enthusiastically and strictly implement designated measures to bring resolutions into full play. This will enable economic undertakings to proceed along the correct and reasonable direction in the interests of laborers.

The preparation of party resolutions is an important factor in the system of party lines and state management. The LPRP will do its utmost to enable the majority of laborers to actively participate in this process. However, no matter how detailed and complete the resolutions might be, they merely provide conditions to solve various problems, because the organization of implementation of the designated tasks as prescribed in the resolutions is the key problem and is quite a complicated matter. For this reason, systematic control and supervision work in the organization of implementation is considered the top-priority issue in the management process and has become the necessary condition for dealing with problems. Its objective is to locate and eliminate weak points and malpractices in implementing resolutions, decisions, and plans, and to locate the causes of these weak points and malpractices.

Installment Three

BK2102104590 Vientiane Domestic Service in Lao 0030 GMT 10 Feb 90

[Continuation of article by Kaysone Phomvihan, chairman of the Council of Ministers, published in ALOUN MAI magazine; date not given—from the "35th Founding Anniversary of the Lao People's Revolutionary Party Program"]

[Text] In other cases, we must hold consultations, while manpower, sources of materials and equipment, and the sense of responsibility toward the control undertakings are necessary. What has been mentioned above provides not only answers but also solutions to anticipated problems. [Words indistinct] in case cadres are unable to organize team work [words indistinct]. These will damage the grass-roots work. These sorts of people must be reprimanded, which includes evaluation of their operation plans and performance. Our party has mobilized the people to exert their labor and exercise their creative potentials. Apart from exposure of errors and shortcomings, we must realize that we and leading cadres can also learn lessons from our labor exertion. Therefore, it is important to gather such lessons and use them to serve the laboring masses. The party has entrusted the control organizations to gather and study the lessons

drawn by progressive factories, institutions, organizations, and sectors. Through control work, outstanding and capable workers and organizers can also emerge.

Installment Four

BK2102110190 Vientiane Domestic Service in Lao 0030 GMT 11 Feb 90

[Conclusion of article by Kaysone Phomvihan, chairman of the Council of Ministers, published in ALOUN MAI magazine; date not given—from the "35th Founding Anniversary of the Lao People's Revolutionary Party Program"]

[Text] Based on Lenin's theory on the principles of control work for each period of socialist construction, the Lao People's Revolutionary Party [LPRP] has paid much attention to the application of the principles during the transitional period. Our party maintains that guidance for control and supervision work is the most important task. In fact, control work of the socialist and true democratic type has been implemented for the interests of the laboring people and with direct participation of the laboring people themselves. The extensive participation of the people in control of the implementation of the party and state's resolutions and directives is the most important factor of the socialist control work, which is totally different from the control work in countries where exploitation is permissible. Participation in control work by the laboring people is necessary to boost efficiency and also creates conditions to allow ordinary people to participate in the management of state, thus enhancing their own sense of mastery. They can work out patterns for solving various problems as prescribed by the party [words indistinct].

From the very beginning, the party and state control organizations of the Lao People's Democratic Republic [LPDR] have been relying on assistance from the laboring people in carrying out tasks and cooperation from thousands of technocrats from various sectors and social organizations, thus enabling them to learn lessons quickly and play influential roles in the country. The party and state control units operating in enterprises, institutions, and various organizations are special organs offering opportunities for the laboring people to participate in monitoring and controlling the implementation of the party and state resolutions. Members of the party and state control units mingle with the masses and are well aware of their daily lives. Therefore, they are in the position to effectively eliminate shortcomings and malpractices now prevailing in the production, services, trade, public health, cultural, educational, management, and other areas. The control units must be truly conscious of their obligations entrusted by the people to defend the latter's interests. If necessary, party and state control units can present various problems to every organization at all levels up to the LPRP Central Committee.

The efficiency of social control work can be considerably enhanced if all activities related to social control work are well coordinated with movements of mass organizations. Committee members of the people's councils and trade, youth, and women's unions can get together to develop control work plans, jointly study the actual conditions of the targets of the control work, and establish measures to eliminate existing weak points, subsequently improving relations between control agencies and the masses. For the same objective, the party and state control committees at all levels must accept grievance letters and petitions from the laboring people for consideration and arrange personal meetings with the people on a regular basis.

In the state and society where the right of private ownership over production means and the products of the people's labor is permitted, control work must naturally limit the boundary of its movements. Primarily, it will not interfere with private production by capitalists. On the contrary, in a socialist society where the roles of the state and laboring people have fundamentally been restructured and the people's participation in the management of social expansion, production, goods distribution and circulation, education, culture, and other areas is essential, the control work must be comprehensive and influence every sector. Therefore, control work is the most important task. It is sufficient to say that control work is the indispensable ingredient in the process of the macro-management. In any event, control work must be carried out to provide means to fulfill the tasks assigned by the party and to implement specific resolutions.

Regarding production, it can be said that production is the foundation on which society exists. Production brings about society's affluence and the people's well-being. The control of production movements of enterprises, cooperatives, and other economic organizations is the most important duty that must be carried out by the party and state control organizations at all levels. In over a decade since the establishment of the people's regime, our young LPDR has registered considerable successes in the expansion of social production in every field, particularly in agriculture. The production of major crops and animal husbandry have greatly increased. In the industrial field, the construction of a number of new factories and renovation of old factories have revived industrial production. Progress has also been made in the communications and transport field.

SPA Talks With Cambodian Assembly Delegation

BK2202080190 Vientiane Domestic Service in Lao 1200 GMT 22 Feb 90

[Text] This morning, a delegation of the Supreme People's Assembly [SPA] of the Lao People's Democratic Republic [LPDR] and a delegation of the National Assembly of the State of Cambodia held talks in Vientiane. The Lao side was headed by Thongsing Thammavong, vice-chairman of the SPA, while the Cambodian side was headed by Mat Ly, vice-chairman of the National Assembly.

At the meeting, the two sides informed each other about developments within the assembly, particularly at a time when activities were carried out in response to new changes in both countries. The Lao side informed the Cambodians of their many achievements in defending and building the country, particularly, the preparation of the draft of the first LPDR constitution, and the endorsement and promulgation of the criminal law, law on procedures for criminal cases, law on the people's judiciary institute, and law on people's court, which are genuinely aimed at consolidating, perfecting, promoting, and expanding the popular democratic system.

The Cambodian side also informed our Lao side about the promotion and broadening of democracy, the endorsement and promulgation of various laws which are aimed at consolidating, perfecting, and defending the country and holding aloft the banner of independence, peace, national reconciliation, neutrality, and prosperity. Regarding the Cambodian situation, Mat Ly said: Our party and State of Cambodia have always adhered to ways to appropriately and fairly settle the Cambodian problem and will absolutely not allow the Pol Pot clique to return to power to kill Cambodians again. The Cambodian army and people have scored victories in suppressing and wiping out enemy elements supported by the imperialists and international reactionaries.

The two sides unanimously agreed that only under the leadership of the party and state will the two peoples be able to march forward and succeed in defending, building, and further strengthening their respective countries. In light of the present situation, the two sides deem it necessary to further strengthen Lao-Cambodian as well as Lao-Cambodian-Vietnamese cooperation in all respects to check all schemes of the imperialists and international reactionaries who have always intended to sabotage the special solidarity and all-around cooperation of the three Indochinese countries.

The talks on this occasion marked a new step in the promotion and expansion of the special relations between our two countries, in particular the relations between the two legislative assemblies which represent the supreme power of the peoples of the two countries.

Lao Delegation Attends UN Drug Conference

BK1702140090 Vientiane KPL in English 0946 GMT 17 Feb 90

[Text] Vientiane, Feb 17 (KPL)—A delegation of the Lao PDR [People's Democratic Republic] led by Deputy Minister for Foreign Affairs Souban Salitthilat left here on Feb. 15 to attend the special UN conference on drugs which is to be held in New York on Feb. 20-23.

Philippines

Further on Ramos Proposal on U.S. Facilities

Aquino Issues Clarificaion

HK2202094990 Manila Radio Veritas in Tagalog 0900 GMT 22 Feb 90

[By Gabby Salcedo from Malacanang Palace]

[Text] President Corazon Aquino today warned that the government will not hesitate to use force to maintain peace in Mindanao following reports of threats by gubernatorial candidate Ali Dimaporo to launch a holy war in Mindanao to protest election fraud there. Press Secretary Tomas Gomez III conveyed the president's warning. In the same press briefing, the president also clarified a proposal by Defense Secretary Fidel Ramos regarding the joint use of U.S. facilities by the United States and the Philippines.

Here is the president's statement as read by the press secretary.

[Begin Gomez recording in English] It is the Commission on Elections that enforces and administers all laws and regulations relative to the conduct of elections. It exercises exclusive regional jurisdiction over all contests relating to the elections; returns; and qualifications of all elected regional, provincial, and city officials. It decides all questions except those involving the right to (?vote) affecting elections. This is provided by the constitution itself in Article 9-C, Section 2.

So, aggrieved parties and candidates should pursue their complaints peacefully and in democratic fashion in that forum. This is what the rule of law is all about.

For its part, the executive is mandated to preserve the peace and maintain order in our society. This we are likewise prepared to do, even as we appeal to all quarters to heed our people's voice and longings for peace and development as against strifes, violence, and war.

I should like to clarify the subject of a proposed joint R.P. [Republic of the Philippines]-U.S. use of the facilities in Clark and Subic bases.

The joint press statement of Secretary Ramos and Secretary Cheney, dated February 19, 1990, stated: Secretary Ramos raised the potential for joint use by R.P. and U.S. military units of U.S. military facilities in Clark and Subic bases with a view to mutual cost reduction and optimal utilization of facilities therein. This was, therefore, not a mere personal or unofficial proposal of Secretary Ramos, but one made in his capacity as secretary of national defense. However, it was made in the context of the present agreement on the use of these facilities and does not reflect our decision on the future of the facilities after the expiration of the present agreement on September 16, 1991.

As the president has repeatedly pointed out, the post-1991 future of these facilities will be the subject of negotiations in the event the holding of negotiations is agreed upon as a result of the forthcoming exploratory talks between R.P. and U.S. representatives. [end recording]

Ramos Clarifies Proposal

HK2202094190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 22 Feb 90

[Text] The Department of National Defense is studying a proposal for the joint Philippine-United States use of the latter's military facilities in the country. Defense Secretary Fidel Ramos, however, clarified that whatever the outcome of of this, his proposal is not intended for the extension of U.S. military bases in the Philippines. According to a defense official, if that is the case, the use of the bases will be for a limited period.

Ramos issued the statement in his speech during the 11th anniversary celebration of the Clark Air Base command in Pampanga today. Ramos said his proposal will greatly help the Defense Department's program to improve and develop the capability of the Armed Forces of the Philippines. He explained that the use of Clark Air Base will help in the optimal utilization of the facilities, adding that the continuing security relationship between the two countries will improve through military cooperation and the interreliance of the relevant forces and units. Some defense sources said that the United States may not allow use of their new equipment by the Armed Forces of the Phiippines [AFP] in its security operations against communist rebels and rebel soldiers in the country.

The celebration was also attended by AFP Chief General Renato de Villa, Philippine Air Force Chief Major General Jose de Leon, and Capital Command Deputy Chief Brigadier General Demetrio Camua.

It is recalled that the proposal for the joint use of Clark and Subic bases by the Philippines and the U.S. was endorsed by Ramos during his ministerial conference with U.S. Defense Secretary Dick Cheney.

Article Reviews Reactions

HK2202041590 Manila PHILIPPINE DAILY GLOBE in English 22 Feb 90 pp 1, 8

[By staff writers Butch Fenandez and Julius Fortuna with a report from C. Ramas 111]

[Text] Malacanang distanced itself yesterday from a proposal of Defense Secretary Fidel V. Ramos for joint use by the Philippines and the United States of the U.S. military facilities here, saying the government will make known its stand during the exploratory talks in April.

Several senators also reacted with caution to the Ramos proposal, saying the government should instead seize the initiative by implementing the conversion plans for the U.S. facilities.

Senate Minority Leader Juan Ponce Enrile flatly rejected Ramos's idea as a "gimmick" while Sen. Ernesto Herrera said "it is an obvious attempt by Ramos to minimize opposition to the bases."

Another Senator, Aquilino Pimentel Jr., said the Philippines should have sole use of the bases.

Ramos aired his proposal shortly after the departure Tuesday of U.S. Defense Secretary Richard Cheney. He said Filipino and American forces can jointly use Clark Air Base and Subic Naval Base until the expiration of the RP [Republic of the Philippines]-U.S. Military Bases Agreement (MBA) on September 16, 1991.

Cheney, for his part, indicated that Washington would like to keep the military facilities for at least 10 years more irrespective of the negotiations.

Yesterday, Presidential Spokesman Adolfo Azcuna said Ramos was expressing "his personal opinion" in broaching the idea.

"The government stand will come out during the process of exploratory talks," Azcuna said, "and the negotiations," if there will be any.

President Aquino said national interest will be her "number one concern" in the coming negotiations. She also said she hoped that Cheney will follow through with his assurance that the Bush administration will do its best to restore the $96 million congressional slash in the 1990 aid package as dictated by the Manglapus-Shultz Agreement.

Sen. Ernesto Maceda, chairman of the Senate defense and security committee, offered a cautious approval of the Ramos proposal.

"Among friends, that should not be any problem because there is so much land, so many facilities (at the bases). I doubt if there will be any practical objections to that—but the U.S. has to agree to it," Maceda said.

Maceda also said that Malacanang's "combative position" on the bases issue and Mrs. Aquino's refusal to see Cheney would help in the early solution of the bases issue.

Sen. Sotero Laurel said he welcomed the joint-use proposal but suggested that the government concentrate instead on the alternative use of the bases "so we will be prepared to take over without difficulty upon the expiration of the treaty."

Sen. Edgardo Angara said he also welcomed the proposal but only if it would cover Subic Naval Base and not for a 10-year period as indicated by Cheney.

He also said that the government should not ask the United States to turn over Clark Air Base to the Philippines so that it could implement alternative projects. "We should transfer our military camps and international airport there," Angara said.

Sen. Wigberto Tanada said the government should abandon the negotiations and proceed with the alternative uses for the bases.

In a speech read for him by a senior staffer in a symposium in San Fernando, Pampanga, yesterday, Tanada warned that delaying the alternative-use projects would give the Americans the excuse to "further meddle" in the country's internal affairs, particularly the presidential elections in 1992.

To pre-empt possible U.S. interference in the presidential elections, Tanada said the government should immediately implement alternative projects being drawn up by the Joint Executive-Legislative Council on alternative uses of the bases.

Meanwhile, Gennadiy Gerasimov, spokesman for Soviet President Mikhail Gorbachev, said the United States and the Soviet Union have not reached any agreement on the dismantling of all their military bases overseas, including those in the Philippines, by the year 2000.

In remarks he made at a press conference before the start of the last day of the One Asia Assembly at the Philippine International convention Center, Gerasimov said his country is eager to discuss mutual pullout of superpower forces, but the Americans have refused the suggestion.

American Geologist Killed in Bohol Rebel Ambush

HK2202051590 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 22 Feb 90

[Text] An American geologist, his Filipina wife, and his father-in-law were killed in an ambush by armed men in Barangay Sagasa, Balilihan, Bohol, yesterday. Lieutenant Colonel Fritz Kinanola identified the victims as John Robert Mitchell of Fairbanks, Alaska; his wife Sylvina Chato; and father-in-law Silvino Chato. The Chato family is a popular political clan in Bohol. According to reports, the victims were riding in a jeep bound for Getase Town when they were ambushed at about 1100 [0300 GMT] by the suspected rebels. The rebels took the victims' personal belongings before fleeing. Authorities are now investigating the motive for the killing.

Gerasimov Urges Communists To Review Programs

HK2202023590 Manila PHILIPPINE DAILY INQUIRER in English 22 Feb 90 pp 1, 10

[By Jerry Esplanada]

[Text] Communist parties all over the world, including the Communist party of the Philippines, should now review their structures, goals and strategies in the light of political developments in Eastern Europe, a ranking Soviet government spokesman said yesterday.

Gennadi Gerassimov, chief of the directorate on information of the Soviet Ministry of Foreign Affairs, said the decline of communist parties in Eastern Europe "affect all communist parties all over the world."

"I guess they are now in agonizing reappraisal of whatever they're doing, whether they're on the right track and whether they're doing right," Gerassimov said.

The Soviet official was one of the guests of the One-Asia Assembly at the Philippine International Convention Center.

He said the communist parties in Soviet bloc countries "went astray and lost the confidence of the people."

"So their problem now is to regain that confidence again," he said.

Soviet Ambassador Oleg Sokolov cited Gorbachev's proposal early this month before Soviet communist leaders for an end to the party's 70-year grip on power to allow the possibility of multi-party system.

Reports said Gorbachev also called for sweeping changes in the party structure and endorsed the reintroduction of the concept of private ownership.

Despite the "Dramatic changes" in Eastern Europe and a reorientation of Soviet policies, the Soviet government's interest in the Philippines and the rest of the Asia-Pacific will continue, Gerassimov said.

"We would like to cooperate with all countries in the region...where we want to have more friends," he told newsmen.

Gerassimov also said:

Moscow regards the reduction of its Asia-Pacific forces as the "net contribution of our country to peace in the region." (Sokolov earlier announced that the pullout of 200,000 Soviet troops from the region will be completed by 1991 and will not depend on the action of the United States.)

The Soviet Union wants to discuss with the U.S. the presence of military facilities in the region. "But the Americans don't want to touch this subject (bases-)...They think it's a sacred cow for them. They argue that they are a maritime power and it's always that way."

The "Soviet threat" in the region does not exist. "We are cutting (the number of) our ships in the Pacific by more than 50 and our troops by 200,000. The trend shows that the Americans have more than what they really need in the Pacific," Gerassimov said.

The Cambodia issue is a "regional conflict that we would like to help end."

"The outside powers can help in the process of reconciliation which is now easy," he said.

The German reunification is a matter for "the Germans (to) decide for themselves...when...and on what terms."

"The interests and concerns of neighbors, such as the Soviet Union, must be taken into account...The outside powers (Soviet Union, U.S. France and Great Britain) have the legal responsibility to look after a Germany that will not threaten peace in Europe again."

On Japan as the next military power: "I don't see any strategic or geographic reason for Japan to become a great military power. Japan is already conquering the world with its electronics and cash...If you go to Pearl Harbor, you'll see that all around it is Japanese-owned already."

Armed Forces Spokesman Cautious on Soviet Moves

HK2202051990 Manila BUSINESS WORLD in English 22 Feb 90 p 12

[Text] Pointing to Soviet presidential spokesman Gennadi Gerasimov's crowd-drawing ability, Armed Forces spokesman Gen. Oscar Florendo yesterday remarked "it's easy to see (why) the Soviets are winning the psychological war."

"Mr Gerasimov said their reductions...their decommissioning of 50 warships can be verified, but there's no way for us to know if they're really doing that," he said.

"If you were to ask the Yanks, you'd have their version," an Asian diplomat remarked.

"However," Gen. Florendo said, "if you think of it as a matter of the Soviets facing up to reality...that they cannot afford to take money away from their people for arms...their statements are believable."

Gen. Florendo said Philippine considerations on the bases issue were primarily "economic and on internal security terms...rather than on the regional strategic situation."

"The Americans need the bases for their security...we need the economic benefits and the hardware to address the internal insurgency," the AFP [Armed Forces of the Philippines] spokesman said.

At the One Asia Assembly yesterday, Gen. Florendo, who listened in on Mr Gerasimov's interviews, opined the Soviet statements were "well received because they reflect popular sentiment."

For one, Mr Gerasimov noted that the democratization of Eastern Europe affect all communist parties, including that in the Philippines.

"I guess they are now engaged in an agonizing reappraisal of what they are doing—whether they are doing things right, whether they are on the right track. The events in Eastern Europe have shown that somewhere along the way, these parties went astray and lost the confidence of the people."

The eventual withdrawal of the U.S. from the region worry Asian states that Japan would undertake more of a military role as it moves to protect sea lanes.

And Mr Gerasimov tried to assuage those fears.

Supreme Court Orders Halt to Tokyo Property Bid

Aquino Postpones Bidding

HK2002114990 Quezon City Sports Radio 738 in English 1100 GMT 20 Feb 90

[Text] President Corazon Aquino said the scheduled bidding of the Roppongi Property in Tokyo will have to be postponed. This following the Supreme Court's issuance this morning of a temporary restraining order against the said bidding which was scheduled for tomorrow.

In her press statement, the president said the postponement is to give time to consider the petition filed by Vice President Laurel against the sale of the prized Philippine property in Tokyo. Presidential Spokesman Adolf Azcuna read the president's statement.

[Begin Azcuna recording] This is to give us time to consider the petition filed by Vice President Salvador Laurel against the sale. The scheduled bidding will therefore not be held and we will file our comment to the Supreme Court on the petition, presenting our side of the subject.

Again, these are the democratic processes we have to contend with and abide by. [end recording]

Aquino Issues Press Statement

HK2102114390 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 21 Feb 90

[From "GMA News" program]

[Text] Malacanang today answered all the charges made by Senator Juan Ponce Enrile regarding the sale of the Roppongi property in Japan. Yesterday at the Senate, Enrile challenged the president to make public all bids received and donations from Japanese companies interested in the Roppongi property.

Presidential Spokesman Adolf Azcuna admitted today that the president received an offer from a Japanese company. More in this report from Veronica Baluyot.

[Begin recording] [Baluyot] Speaking in a press briefing, Azcuna said the offer made by the (Taguchi Denki Kogyusho) in December 1987 was referred to the Philippine Embassy in Japan. He said the offer was conveyed to the president through her daughter Ballsy Cruz who is also Mrs. Aquino's confidential secretary. The government told the Japanese firm that a Philippine committee

was still studying other possible uses for the three properties in Tokyo and two others in Kobe.

Azcuna also said that the Japanese firm was invited to take part in bidding for the Roppongi property in March last year. However, the firm did not participate for still unknown reasons.

In a press statement, Mrs. Aquino stressed that there was a limit to what may be discussed on the Roppongi issue in view of the fact that the case is pending before the Supreme Court. She criticized certain parties for violating subjudicial rules with their outright commentaries on the case and distortion of facts.

[Azcuna, in English] Some quarters and personalities appear to have brazenly dishonored this rule by freely discussing and commenting on this case and, worse, raising innuendoes and distortions regarding the facts involved.

[Baluyot] Records confirmed that it was the (Taguchi) Company which donated the copper statue of Senator Ninoy Aquino in Paniqui, Tarlac. However, Mrs Aquino said that the donation cannot be interpreted as a bribe because it was given even before the Japanese expressed an interest in the Tokyo property. [end recording]

Meanwhile, the government will return the cash deposits of prospective bidders for the Roppongi property. The bidders deposited 10 percent of their bid with the Sumitomo Bank. If the sale of the Roppongi property does not push through, the government will have to look for other sources of funding for the Comprehensive Agrarian Reform Program.

Further on Press Statement

HK2102115390 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 21 Feb 90

[Text] Presidential spokesman and legal adviser Adolf Azcuna said that the government's stand on the sale of the Roppongi property should be respected. Tanny Rodriguez on the details and an excerpt of Azcuna's statement:

[Begin recording] [Rodriguez] In his press statement, Azcuna said that certain groups and individuals are showing disrespect for the status of the case as they continue to discuss and announce their personal views.

[Azcuna, in English] The power of the president under the law to sell this property will be covered by the comment. The transparency of the international bidding procedure adopted, the intended use and disposition of the proceeds, the adverse impact of the cancellation, even the apparent bad faith of some parties in their efforts to stop government from having the means to pursue development will probably be set forth.

[Rodriguez] Azcuna also said that Malacanang will present its position as soon as possible in order to respond to the petition filed by Vice President Salvador Laurel before the Supreme Court and that it will not wait for the 10-day grace period to lapse. [end recording]

Meanwhile, Press Secretary Tomas Gomez III described as malicious an accusation by Senator Juan Ponce Enrile linking President Aquino's daughter Ballsy Cruz to the sale of the Roppongi property.

[Begin Gomez recording, in English] It is not surprising, considering that he has admitted to his crooked ways. Remember the martial law fake bombing incident in September 1972? Remember when he admitted that he cheated in the 1986 elections to the tune of 360,000 votes? Perhaps the senator might be so kind as to explain to the Filipino people how he became so enormously wealthy. [end recording]

Signing of New Loan in Tokyo Set for 28 Feb

HK2102062790 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 21 Feb 90

[Text] The Philippines will sign an agreement with foreign creditor banks for $700 million of new money in Tokyo on 28 February. Central Bank Governor Jose Cuisia Jr announced that the U.S. based Bankers Trust finally agreed to take part in the loan package. Cuisia also said that the Philippine Government did not make any compromises to convince Bankers Trust to do so.

Cuisia was sworn in at Malacanang yesterday as the new Central Bank governor, replacing Jose Fernandez Jr who retired from the post.

Trade Board Approves 10 Development Projects

HK1502033790 Manila BUSINESS STAR in English 15 Feb 90 p 2

[By Anthony L. Cuaycong]

[Text] In a meeting chaired by President Aquino yesterday, the National Economic and Development Authority (NEDA) Board approved 10 development projects covering, among others, air transportation, rural water supply, flood control, and power generation, for a total cost of P14.677 billion.

In adopting the endorsement of the Investment Coordination Committee, the Board allocated the following sums:

—P6.56 billion for the rehabilitation of the Ninoy Aquino International Airport (NAIA);
—$143.21 million for the immediate purchase of four Boeing 737 aircraft;
—P2.99 billion to set up a flood control and drainage system in Laguna;
—P301.53 million for the upgrading of the Cebu Thermal Power Plant II;
—P306.53 million for the installation of 76 land-based diesel-powered turbines nationwide;
—P395.46 million for the implementation of the Rural Water Supply Project for the Cordillera Administrative Region, and Regions IX and XII;

—P658.61 million for the procurement of crash fire rescue equipment;
—P70.09 million for the development of the postal service; and
—P99.79 million for the construction of a road spanning 52 kilometers between Davao and Digos.

Press Secretary Tomas Gomez III told newsmen that the NAIA project had a "special proviso for the alternative application of Clark Air Base (CAB)," and was "favourably looked upon" by Mrs Aquino. This entails the use of the CAB as a potential civilian air terminal either apart from the NAIA or as a substitute should the latter be phased out.

Mr. Gomez said the project was undertaken as "there is a potential transfer (of CAB facilities from the U.S. to the Philippines), and we are addressing it properly, and we shall be ready when called for."

Observers say the "special proviso" is a key element to the Medium-Term "Phase Down" approach currently being contemplated by the United States, which cites among others, the upgrading of avionics to commercial students, the design of an air terminal, and the expansion of its runways. (see BUSINESS WORLD, 5 February, 1990)

The NAIA project is to be undertaken immediately.

Military Rebels Outline Political Program

HK2202081390 Hong Kong AFP in English 0806 GMT 22 Feb 90

[Text] Manila, Feb 22 (AFP)—Military rebels opposed to President Corazon Aquino's government Thursday denounced "foreign imperialists" and outlined for the first time a political program to be implemented if they seize power.

In a statement issued ahead of the fourth anniversary of the popular uprising that installed the government, the rebels advocated a federal system and sought to allay fears that they were out to form a military dictatorship.

It was signed by the RAM-SFP, the Revolutionary Alliance for the Masses and the Soldiers of the Filipino People, which led last December's bloody coup attempt which was crushed by Mrs Aquino with the support of the U.S. Air Force.

Claiming inspiration from reforms sweeping Eastern Europe, the rebels called for a "revolution" to "achieve genuine national independence, redeem our sovereignty, and liberate our people from the chains of political, social and economic slavery forged by foreign imperialists and their Filipino collaborators."

But the statement, sent to news agencies, did not spell out how they hoped to achieve these goals or solve national problems once in power.

The RAM-SFP includes military officers who spearheaded the military mutiny that toppled the regime of later former president Ferdinand Marcos and installed Mrs Aquino in his place on February 25, 1986, but later turned against her.

Following the December coup against Mrs Aquino, several members of the RAM-SFP, including a brigadier-general, have been arrested. But its best-known leader, dismissed army colonel Gregorio Honasan, is still at large despite a five million-peso (220,000-dollar) reward for information leading to his capture.

The statement said the military rebels "transferred power" to civilians in 1986 in a "supreme act of faith," and accused the Aquino government of staging "the biggest hoax on the Filipino people".

"It was a dark day when this administration came to power. It will continue to be a dark day until its regime ends," the statement said.

It was issued as government and military officials staged rehearsals for the Aquino anniversary celebration on Sunday, causing a massive traffic jam on Edsa Avenue, a focal point of the 1986 revolt.

Television stations have been broadcasting pictures of Mr Honasan and other wanted rebels along with the prices on their heads, as well as documentaries recalling the repression of the Marcos martial-law period from 1972-81.

The RAM-SFP statement, reacting to fears that they will reimpose martial law, said "We acknowledge the univeral aversion to Jacobin solutions and their tragic aftermath." The Jacobins were a group associated with dictatorship and state terror during the French Revolution.

The statement listed political, social and economic "aspirations," including the drafting of a new constitution creating a federal system of government, professionalism in the government and armed forces, a self-reliant economy with limited foreign borrowings, and improved education and health services.

But it offered no concrete proposals to confront a nationwide communist insurgency, a 27 billion dollar foreign debt largely inherited by Mrs Aquino from Mr Marcos, and day-to-day problems including power and water shortages, which they listed among Mrs Aquino's shortcomings.

Muslim Rebel Leader Threatens Renewed Violence

HK2102134590 Manila Radio Veritas in Tagalog 1300 GMT 21 Feb 90

[Text] Moro National Liberation Front [MNLF] Chairman Nur Misuari again threatened to launch a new round of violence against the Aquino administration. Misuari said his forces will try to block the introduction

of autonomy in selected provinces in Mindanao. He also accused the government of manipulating the recently-concluded elections.

Meanwhile, Udstadz Sain Jali confirmed direct involvement of both the MNLF and the Moro Islamic Liberation Front in the troubles in Pikit, Cotabato, where thousands of residents have been evacuated.

Tension Grips Three Cotabato Barangays

HK1402042990 Manila PHILIPPINE DAILY INQUIRER in English 14 Feb 90 p 10

[By Ali Macabalang]

[Text] Cotabato City—Tension gripped at least three barangays in Makilala, North Cotabato, amid the recurring sporadic armed skirmishes between government forces and communist guerillas in the area, the town executive said early yesterday.

Makilala mayor Gregorio Ipong said Army troopers from three different battalion have been pursuing an 80-man New People's Army groups since Friday, during which the rebels fired upon a group of patrolling militamen at sitio Lagbik and barangay Malakila.

Iping said the rebel groups led by commanders Bibit and Benzar Sarabia lost eight members in the one-hour gunbattle with government troops last Friday.

He said the patrolling CAFGU members got two wounded comrades, but were able to sustain the exchange of gunfire for 30 minutes until the reinforcing army troopers backed by 2 helicopter gunships arrived.

He said ongoing pursuit operations triggered further evacuation in neighboring barangays of malakila, Luayo, and Sto. Nino, all in Makilala.

Ipong said the number of evacuees, mostly sheltered in public school buildings at Makilala poblacion, has swelled to 150 families.

Militant Rally Reported at Liwasang Bonifacio

HK2202093590 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 22 Feb 90

[By Jennifer Postigo from Manila]

[Text] A multisectoral rally is going on at Liwasang Bonifacio this afternoon. There are many people attending this rally which started at 1500 today. We were able to speak to some labor and student leaders. The first person we talked to is KMU [1 May Movement] official Nick Alman.

[Begin Alman recording] The objective of this rally is to depict the true picture of what is going on in our country—the sufferings of our people, the violation of the people's rights under the Aquino regime. The Aquino regime should be exposed as a tool or puppet of U.S. imperialism, which is also the root of our sufferings. This is, therefore, a revelation of the true nature of the Aquino-U.S. regime. [end recording]

From the ranks of the students, here is the statement by LFS [League of Filipino Students] chairman Nathaniel Santiago.

[Begin Santiago recording] What we are saying is that we have exhausted all our hopes in the so-called EDSA [Epifanio de los Santos Avenue] revolution. We are calling for a genuine revolution, a revolution which will not only change those in power but will also have a clear agenda for social change, for liberation from domination by the United States and others—a revolution that will not be led by elitists who will later betray the people, but one led by the working class. [end recording]

From the ranks of the workers belonging to the Trade Unions Congress of the Philippines, let us listen to Comrade Leto Villar.

[Begin Villar recording] The progressive sector's commemmoration of the EDSA political revolution is an expression of our [word indistinct] in the Aquino government. [passage indistinct] For the past four years, we have believed in the aspiration of EDSA to establish a genuine democracy and reaffirm sovereignty in our country. We believe in the attainment of so-called peace. Without democracy, without our freedom and the improvement of people's livelihood, we do not see how we can attain peace. [end recording]

At the moment, the programs are going on here at Liwasang Bonifacio, and representatives of this multisectoral rally have plans to proceed to the foot of Mendiola bridge to continue their programs there.

Even though there are many participants here, this protest movement remains very orderly and peaceful.

Military Says New MNLF Mines Can Blast Tanks

HK2202042390 Manila PHILIPPINE DAILY GLOBE in English 22 Feb 90 p 9

[By Correspondent Pete Tria Jr.]

[Text] Zamboanga City—The Moro National Liberation Front (MNLF) can already produce land mines that can blast AFP [Armed Forces of the Philippines] armor, the military here said Tuesday.

Lt. Rodrigo Asis, head of the 6th Naval District Special Warfare Unit, showed the X-ray of an electronically detonated mine allegedly made by the MNLF and which was recovered last week from Abung-Abong beach in Basilan along with other high powered firearms and ammunition.

Asis said the mine can knock out a Landing Vehicle Tank (LVT) or a six-by-six military truck. He added that the mine can be detonated by pressure or by a slide charge such as the .6 volt static electricity emitted normally by the body.

Members of the 6th Marine Battalion Landing Team under Maj. Francisco Budani recovered the mine from a Muslim jungle base.

The group also recovered one .50 caliber machinegun, one automatic rifle, one AK-47 assault rifle, 2 Belgian FAL rifles, one carbine, one M-14 rifle, two rifle grenades, and three sacks of ammonium nitrate used for the manufacture of explosives.

Thailand

Paper Reports on Hun Sen-Sihanouk Talks

BK2202010390 Bangkok THE NATION in English 22 Feb 90 pp 1, 2

[Text] Prince Norodom Sihanouk and Phnom Penh Premier Hun Sen yesterday issued an unprecedented but vague joint communique calling for the establishment of a supreme national body to represent Cambodia's sovereignty and unity.

The joint communique also calls for an unspecific UN participation in the transition period following the cessation of fighting.

However, the two Cambodian leaders conspicuously avoided mentioning their different views on how to solve the Cambodian dispute, reflecting their desire to strike a positive note prior to the Jakarta peace talks next week.

The signing of the communique came at the end of their six-hour discussion at Ban Phitsanulok. Prime Minister Chatchai Chunhawan and Army Commander-in-Chief Gen [General] Chawalit Yongchaiyut witnessed the signing ceremony.

"We feel there is now a better understanding of the issues involved that may, in the not too distant future, lead to a convergence of views on how to settle the Cambodia problem," the communique read.

Both leaders agreed that a UN presence at an "appropriate level" in Cambodia was essential and should be encouraged.

The communique added that details of those points were to be "further discussed in the future". It was the first time that Sihanouk and Hun Sen agreed to a joint document. In their previous five meetings, each side has issued its own statement, accusing the other of the failure to reach a compromise.

An informed source told THE NATION the communique was initiated by the two leaders during the discussion in order to facilitate progress in the upcoming Jakarta peace talks, scheduled for Feb 26-28.

"Sihanouk and Hun Sen agreed that the Jakarta meeting should iron out their differences," said the source, who asked not to be identified.

The Jakarta meeting will bring together the warring Cambodian factions, Vietnam and Laos, ASEAN, Australia and France.

Both Chatchai and Chawalit were visibly delighted after Sihanouk and Hun Sen signed the two-page statement.

The communique said both Cambodian leaders expected the upcoming peace talks "to produce good results that would form the basis of the resumption of the Paris Conference". The conference was held last August and ended in deadlock.

Sihanouk and Hun Sen also agreed to meet again soon at "a mutually acceptable time and place". The statement avoided using titles for either Sihanouk or Hun Sen.

The communique only spoke generally on two important issues: the UN role in Cambodia and national reconciliation. It failed to touch on Hun Sen's call for measures to prevent a Khmer Rouge return to power or the resistance's demand for dismantling the two rival governments.

At the New York meeting of the five-member UN Security Council (UNSC) on Cambodia last week, the five countries could not reach a specific agreement on Australia's proposal for an interim UN administration in Cambodia. The UNSC had previously endorsed the proposed "enhanced UN roles" as a key element to resolve the Cambodian conflict.

The source said the words "appropriate levels" used in the communique reflected the lack of agreement on the precise nature of a UN presence. The Phnom Penh government wants to have a small UN presence for a short period while Sihanouk wants a more substantial presence of the world body.

The establishment of a supreme national body, the source said, would have to be discussed further at the Jakarta meeting as it was not clear whether the Khmer Rouge would be included.

Sihanouk has said previously it was important to include the Khmer Rouge in order to keep the communist guerrillas in check. The source said Sihanouk's representative, Prince Norodom Ranariddh is expected to make the former monarch's position known on this at the Jakarta talks.

A source said Sihanouk had considered a split with the Khmer Rouge last December and added, "this time the prince wants to show he has a different position from that of the Khmer Rouge".

The supreme national council would represent Cambodia in the United Nations, taking over the Cambodian seat now occupied by the resistance Coalition Government of Democratic Kampuchea.

Hun Sen is scheduled to leave Bangkok this evening for Vientiane.

Earlier, Sihanouk joined Hun Sen for a lunch hosted by Army Commander-in-Chief Gen Chawalit Yongchaiyut. He said he would "discuss all aspects that can bring peace back to Cambodia".

Later in the afternoon, Sihanouk chatted with Prime Minister Chatchai Chunhawan at Ban Phitsanulok and praised him as "a great statesman".

Meanwhile, a Cambodian guerrilla faction fighting the Vietnam-backed government forces said here yesterday that Phnom Penh troops had launched "a large scale counteroffensive" against its forces in northwest Cambodia.

The Khmer People's National Liberation Front (KPNLF) said in a communique that some 800 government troops, backed by assault tanks and heavy artillery, had begun attacking its forces in the area of Sisophon and Svay Chek on Monday, according to AGENCE FRANCE PRESSE.

The KPNLF said that fighting had "decreased" by Wednesday, "but the situation remains tense".

The faction said that Svay Chek, a KPNLF stronghold 30 kms east of the Thai border, "is still under our full control," dismissing press reports that it had almost fallen to government troops.

Sitthi, Subin Comment on ASEAN-EC Meeting

BK1902042890 Bangkok BANGKOK POST in English 19 Feb 90 p 7

[Text] Foreign Minister Sitthi Sawetsila yesterday said there may be some problems with the Cambodian seat at the United Nations, which is occupied by the Coalition Government of Democratic Kampuchea.

"Most members of the European Community (EC) are afraid of a Khmer Rouge return to power, and want to exclude them," ACM [Air Chief Marshal] Sitthi said upon returning from the two-day ASEAN-EC Ministerial Meeting in Kuching, Malaysia.

"The EC does not accept the Khmer Rouge and wants the Cambodian issue to be settled as soon as possible. The EC wants to get closer to Vietnam," he said.

The Foreign Minister nevertheless repeated that the exclusion of the Khmer Rouge would cause more fighting in Cambodia.

"The Khmer Rouge are Cambodians and it would be impossible to exclude them from a settlement, notwithstanding their history," he said.

He voiced support for a meeting to take place here soon between Prince Norodom Sihanouk and Phnom Penh Premier Hun Sen.

He said Prime Minister Chatchai Chunhawan had called him in Malaysia to inform him of the meeting.

"The fact that both sides want to meet is good and would help the discussions at the Informal Meeting on Cambodia (IMC) in Jakarta on February 26-28.

"Both sides still have problems with the Australian proposal to set up a United Nations administration in Cambodia," he said.

He added that a paper by ASEAN and the five permanent members of the UN Security Council, which includes the Australian proposal, would be presented at the IMC.

ACM Sitthi said he will meet with Sihanouk in Phatthaya tomorrow.

Meanwhile, Commerce Minister Subin Pinkhayan, who attended the meeting in Kuching with ACM Sitthi, said he was satisfied with the meeting although only one EC commissioner attended.

All ASEAN commerce ministers were at the meeting.

Subin said ASEAN had asked the EC not to use protectionism against its agricultural and industrial exports and to allow GSP [Generalized System of Preferences] privileges.

The EC was also asked to increase its textile and clothing quotas and to do away with them in ten years, and to reconsider retaliatory measures for alleged dumping and unfair trade practices, he said.

ASEAN wants to export tapioca and palm oil from Indonesia, Malaysia and Thailand, tropical fruits, textiles and clothing to the EC. [sentence as published]

He said EC agreed with ASEAN that the Uruguay round of multilateral negotiations for freer world trade was important because it would lay down regulations for some 96 member countries.

Views were exchanged on the formation of a single European market in 1992, he said, and efforts by ASEAN and other countries to form an Asia and Pacific economic cooperation group.

Sitthi Talks to Newsmen

BK1902054290 Bangkok Domestic Service in Thai 0000 GMT 19 Feb 90

[Text] The eighth EC-ASEAN meeting in Kuching, Malaysia concluded satisfactorily, especially in the economic area, according to Foreign Minister Air Chief Marshal Sitthi Sawetsila, who talked to newsmen upon returning from the meeting yesterday evening.

[Begin Sitthi recording] At the meeting, we received confirmation from the EC that the attention it has given to the changes in Eastern Europe does not diminish the importance it gives to ASEAN. Both sides shared the view that as long as they can contribute to greater democracy and a freer market in Eastern Europe, there will be greater potential for trade, investment, and economic cooperation.

On the EC becoming a single market in 1992, the EC tried to convince us that there was no need to worry. That is, the EC is not likely to close its market. On the contrary, the market will expand, and we will have easier access if our products are competitive. If our products successfully penetrate any country, they will have access to the entire EC market. Moreover, the EC will not try to discriminate against products from ASEAN or any country. These were the two major issues that occupied most of my and Commerce Minister Subin's time at the meeting.

Several political issues were discussed at the meeting. On the Cambodian problem, the meeting confirmed the call

for a comprehensive settlement of the conflict and supported a UN role in the settlement. The EC and ASEAN expressed support for the meeting in Jakarta, which will be held 26-28 February.

At the meeting, we briefed the EC on the situation in Vietnam, Burma, and China, while the EC briefed us on the Soviet Union, the Middle East, Afghanistan, and South Africa. The discussions on issues of common interest in Indochina included the refugee problem. [end recording]

PRC Air Force Commander, Delegation Visit

Received by Counterpart

BK1602121390 Bangkok XING XIAN RIBAO in Chinese 16 Feb 90 p 4

[Text] Air Force Commander Air Chief Marshal Kaset Rotchananin said yesterday that he is scheduled to visit China in May to visit the Chinese jet fighter industry.

He said that he was very interested in the Chinese made F-7m jet fighter. But, he still has not made a final decision on whether to bring this kind of jet fighter into the Air Force's service.

Air Force Commander Kaset disclosed the plan to visit China when speaking to reporters after receiving General Wang Hai, commander of the People Liberation Army's Air Force.

The air commander said that he had discussed the Cambodian issue with General Wang Hai. He hoped that China would exercise its international influence to help bring a settlement into the 11 year old Cambodian problem. In addition, both sides also agreed to increase exchanges of visits.

Wang Hai is the second Chinese Air Force commander, after Zhang Tingfa, to visit Thailand since the establishment of diplomatic relations between Thailand and China in July 1975.

At the invitation of Air Force Commander Kaset, Wang Hai and his 5-member delegation arrived in Bangkok on Tuesday [13 February] for a 9-day friendly visit after completing their visit to Bangladesh.

Accompanying General Wang Hai are Lieutenant General Liu Yuti, commander of the Air Force Command of the Beijing Military Region, and Lt Gen Hou Shujan, commander of the Air Force Command of the Cheng Du Military Region.

Received by Chatchai

BK2102131290 Bangkok ZHONG HUA RIBAO in Chinese 21 Feb 90 p 4

[Text] Visiting Chinese General Wang Hai, commander of the People Liberation Army's Air Force, and his delegation paid a courtesy call on Prime Minister General Chatchai Chunhawan at Government House yesterday. The Chinese delegation was accompanied by Air Chief Marshal Kaset Rotchananin, Thai Air Force commander, and Li Shichun, Chinese ambassador to Thailand.

During the friendly talks, Gen Wang Hai conveyed to Gen Chatchai the best regards of Chinese President Yang Shangkun; Premier Li Peng; and Jiang Zemin, general secretary of the Communist Party of China Central Committee. Gen Wang Hai told Gen Chatchai he has received a warm welcome and reception from the Thai Air Force since his arrival in Thailand on 14 February. The Thai Air Force took his delegation to observe military facilities and breathtaking air demonstrations. Gen Wang Hai noted with admiration the Thai Air Force's modernized equipment. He said that the Chinese Air Force's personnel were the third largest in the world, but its military equipment still needed further development.

Prime Minister Gen Chatchai told the guests that Thailand is now trying to improve its Armed Forces' combat capabilities so that it will be flexible and effective. He thanked China for extending its good cooperation with Thailand. It has provided Thailand with modern warships, tanks, and artillery pieces.

The prime minister said Thai-Chinese friendly relations are being vigorously promoted so that it will be close and strengthened. The two countries, in addition to their investment cooperation, military cooperation, scientific and technological exchanges, will further strengthen their economic and trade cooperation in the future in order to help promote the region's prosperity.

Gen Chatchai asked General Wang Hai to convey his heartfelt regards to the Chinese leaders.

Court Grants Reprieve to NAEO NA Newspaper

BK2202021190 Bangkok BANGKOK POST in English 22 Feb 90 p 1

[Text] The Civil Court yesterday gave NAEO NA newspaper a temporary reprieve to allow it to resume publication after a week-long closure by the Bangkok Press Officer for a sensational headline regarding the Saudi diplomats' murder case.

The Thai-language newspaper is expected to resume publication today.

The court reasoned that the resumption of publication of the paper would not jeopardise the good relationship between Thailand and Saudi Arabia as claimed by the Press Officer.

The paper had already suffered enough after a week-long closure and if it did anything which might threaten relations between Thailand and other countries, the court could still revoke the reprieve, the court said.

However, the case filed by NAEO NA contesting the National Administrative Reform Council Decree 42

invoked by the Bangkok Press Officer to revoke the licences of the paper's editor and owner is still pending in court.

The next hearing is scheduled for February 27 and the case is expected to be completed within 24 days.

Chairman of NAEO NA Company, Warin Phunsiriwong, yesterday expressed his gratitude to Prime Minister Chatchai Chunhawan for the reprieve.

He said the paper would in the future be more cautious is its news presentation.

He also said the company sustained about 500,000 baht in losses each day. However, he said the monetary loss was less than the psychological effect on the staff.

Chief Justice of the Civil Court Thirasak Kannasut explained that the reprieve was not related to the court's recommendation to the Supreme Court regarding the case.

Whatever ruling the Supreme Court made would set a precedent in future cases involving Decree 42, he said, adding that the Supreme Court would take no more than 14 days to rule on the case.

Democrat Party Decides To Stay in Government

BK2002061190 Bangkok BANGKOK POST in English 20 Feb 90 pp 1, 3

[Text] In a significant move that could forestall the prospect of an imminent Cabinet reshuffle, Democrat ministers decided last night their party would stick with the ruling coalition government instead of resigning.

The decision was seen as a defiance of growing political pressures for the party to bow out from the administration of Prime Minister Chatchai Chunhawan following the recent Suan Kitti controversy.

The move came at a crucial time in the wake of reported overtures made by the Prime Minister for the opposition Prachakon Thai Party to join the coalition if the Democrat Party should decide to opt out.

The ministers, who held their regular Monday meeting last night to prepare for today's Cabinet meeting, also backed Agriculture Minister Sanan Khachonprasat's decision not to appear before the House Economic Affairs Committee hearing concerning the Suan Kitti controversy.

The committee hearing scheduled for this Thursday [22 February] and to be chaired by Prachakon Thai Party leader Samak Sunthorawet is to be televised live.

Prime Minister Chatchai Chunhawan last week approved the live telecast, which was described as an attempt by the Government to be "open and fair" to the Opposition over the Suan Kitti controversy.

A senior Democrat source told the BANGKOK POST last night the ministers did not see any reason why the party had to withdraw from the Cabinet.

The source said the ministers agreed, however, that the party is ready to leave "if there is sufficient reason."

Deputy Interior Minister Trairong Suwankhiri, speaking to reporters after the meeting asked:

"Why should we withdraw."

He said the Democrats will not withdraw for the satisfaction of others.

Minister Trairong said everyone has the right to say that the Democrats should withdraw as a result of the Suan Kitti controversy, but the final decision rests with the Democrats.

The Songkhla MP [member of Parliament] asked why other coalition parties were not asked to withdraw from the coalition.

The senior Democrat source said the ministers agreed to allow Minister Sanan to decide for himself whether or not to appear before the committee hearing.

The ministers noted that it was the right of Maj-Gen [Major General] Sanan not to appear before the hearing.

Minister Sanan, the source said, has decided not to testify before the committee because it is not directly involved in forestry affairs.

Maj-Gen Sanan has already explained his position to the House Agriculture Affairs Committee and in two television broadcasts.

Soviet Vice President Ibragimov Continues Visit

Minister Trairong said after the meeting he strongly disagreed with Maj-Gen Sanan appearing before the committee.

Minister Trairong said he proposed during last night's meeting that the minister not attend the hearing.

"Why should we let our minister be chopped on air," he said, adding that he is not prepared to let the party's secretary-general be questioned by others.

"I know that Maj-Gen Sanan is not scared, but if there is any questioning to be done then it should be done in Parliament," Minister Trairong said.

He said the Opposition is trying to "zigzag" by getting Maj-Gen Sanan to appear before the House hearing because they could not say anything new at last week's Sanam Luang rally—referring to the Solidarity Party rally which drew 40,000 people.

Speaking after a party meeting yesterday, Mr Samak said he saw no reason why Maj-Gen Sanan would not appear before the committee.

He said the committee hearing is a good forum and should not pose a problem for the Agriculture Minister.

"The people will think that Maj-Gen Sanan has something to hide by not attending the hearing," the Prachakon Thai leader said.

He said the reason Maj-Gen Sanan would not be appearing could be because he has some vested interest (in the controversy), Mr Samak added.

Mr Samak said that since the minister would not be attending, the committee hearing would not be televised live, adding that the day the minister agrees to attend, the hearing will be televised.

The opposition leader said the reason Maj-Gen Sanan was invited to the hearing is not because he wanted to grill him, but to ask him about questions of policy.

Commenting on approaches reportedly made by Gen Chatchai for his party to join the coalition if the Democrats resign, Mr Samak said Prachakon Thai is not that hungry to join the coalition.

He said party MPs and members have to be consulted before any decision is made to join the coalition.

Prachakon Thai deputy secretary-general Sanya Sathirabut yesterday denied he met Gen Chatchai for talks on joining the coalition.

Mr Sanya said that since the closure of Parliament, he has never met the Prime Minister.

Meanwhile, a highly-informed political party source confirmed yesterday that Prachakon Thai has been approached to join the Chatchai coalition.

The approach and negotiations, which have been going on for the past few weeks, were made through a "third party," the source said.

"There has been no direct contact between Gen Chatchai and members of Prachakon Thai," the source said.

Negotiations are still proceeding and chances of Prachakon Thai joining the coalition are still "fifty-fifty," the source added.

Another offer has been made to Army chief Gen Chawalit Yongchaiyut to join the Chatchai Government.

Gen Chawalit has been offered the post of Interior Minister and two other posts—Deputy Defence and Deputy Foreign Minister—are available for others in the Army, the source said.

The source believes Gen Chatchai will continue trying to maintain the status quo in his coalition.

Battalion Reinforces Troops on Burmese Border

BK2102031390 Bangkok BANGKOK POST in English 21 Feb 90 p 7

[Text] Mae Sot, Tak—A mixed battalion of the Fourth Infantry Division has reinforced troops here in anticipation of escalated fighting between Burmese troops and Karen rebels across the border.

The battalion, which has beefed up Task Force 34, was deployed to help repulse any foreign forces which might invade Thai territory and use it as a springboard to attack their enemy in Burma soon, sources said.

Along with the Army troops deployed on the Thai-Burmese border there are Border Patrol Policemen and Army-trained rangers.

Sources said about 800 Burmese soldiers had reinforced government troops deployed near Kawmura camp, opposite here, in preparation for a major offensive to seize the camp from Karen rebels within this month.

Burmese forces also deployed more 105mm artillery units and mortars.

Armed Forces Chief Predicts Military's Future

BK0502100190 Bangkok MATICHON in Thai 2 Feb 90 p 24

[Excerpt] At 1000 on 1 February, Armed Forces Chief of Staff General Sunthon Khongsomphong addressed the annual meeting of the Association of Psychology Institutes of Thailand held at the Territorial Defense College. The topic of his address was: "Soldiers in the Next Decade."

In his address, Gen. Sunthon said that to date, the United States has not been successful in the military area. It has now switched to a strategy of projecting its influence on countries on the Asia and Pacific coasts, including Thailand, by readjusting its Pacific forces to balance Soviet military expansion. It has also shown interest in this region's economic and military affairs.

Gen. Sunthon said that although ASEAN's objective is economic cooperation, relations between the member countries are not that close. For example, there are complicated disputes between Malaysia and Singapore, between Singapore and Indonesia, and between Indonesia and Brunei. Thailand's proposal for expanded military cooperation at past informal meetings of ASEAN military leaders received a cold response; certain representatives wanted to consult with their governments first. "This indicates that relations between the ASEAN countries are not that close," said Sunthon.

According to Sunthon, Thailand has enjoyed improved relations with neighboring countries. The few exceptions are the separatist problem in southern Thailand and weapons training in Thailand, which has caused suspicion in Laos. The situation in Vietnam should be followed closely because in five years, that country could become Thailand's major competitor in the region.

Sunthon said that in the future, soldiers will have to stay distant from politics because it is the people's wish to see more concrete development of democracy without involvement by any power or influential group. He said: "In a few years, the presence of senators in parliament will end. Military senators will refrain from political involvement, concentrating on national development. If they want to enter politics they must resign and run for parliamentary seats. It is necessary to educate people about democracy so they will properly understand politics. Soldiers will gradually withdraw themselves; senior military officers have discussed the issue and understand this.

Asked by an attendee how soldiers will react if they are to be completely separated from politics, in light of the military establishment's being the main pillar for national security, Sunthon said soldiers will stay away from politics to allow national administrators to manage the country freely along the democratic system. Soldiers will not become involved if it is not necessary. Sunthon said that despite behaving this way, soldiers continue to be criticized by various sectors for involvement. In any event, if a situation should arise that causes chaos or uprising in the country, soldiers will have to carry out their duties to restore the country.

Asked in what way senators will be removed from the political scene and whether this means that there will no more military senators, Sunthon said soldiers will withdraw from unnecessary political involvement. He believed that eventually parliament will need no senators. As long as senators make up part of parliament, they will remain as a base of support for the government and as guides for members of parliament. [passage omitted]

Vietnam

UK Foreign Office Minister, Delegation Depart

BK2202113490 Hanoi VNA in English 1615 GMT 21 Feb 90

[Text] Hanoi VNA Feb. 21—Francis Maude, Foreign Office minister of the state of the United Kingdom, paid an official visit to Vietnam from Feb. 18-21.

He was accompanied by a number of British diplomats.

The British diplomat paid a tribute to President Ho Chi Minh at his mausoleum and called at his home and office.

The British guests were received by Vice Chairman of the Council of Ministers and Foreign Minister Nguyen Co Thach and had contacts with the State Commission for Cooperation and Investment, the Ministry of External Economic Relations, the Ministry of Interior and the Ministry of Labour, War Invalids and Social Welfare.

The British delegation held talks with a Vietnamese counterpart headed by First Deputy Foreign Minister Dinh Nho Liem. The two sides exchanged views on measures to promote the bilateral relations between the two countries, on international and regional issues of mutual interest and on the issue of Vietnamese boat people in Hong Kong. The Vietnamese side affirmed its readiness to cooperate with concerned countries to solve the issue of Vietnamese who illegally fled the country in the humanitarian spirit. Vietnam is ready to receive those who volunteer to repatriate, or who neither object to repatriation nor accept forced repatriation. [sentence as received]

British Ambassador to Vietnam Emrys Davies took part in the delegation's activities.

The delegation left Hanoi today, concluding its Vietnam visit.

Mountain Region Resolution Issued 27 Nov

First Installment

BK1502092790 Hanoi NHAN DAN in Vietnamese 26 Dec 89 pp 1, 4

["Full text" of the CPV Central Committee Political Bureau resolution on socioeconomic development in the mountain regions—dated 27 November 1989]

[Text] First Part—The Socioeconomic Situation in the Mountain Regions

The mountain regions (footnote 1) (including the provinces in the mountain regions of the north and central highlands, and districts and villages in the mountain regions of other provinces) are large. They account for three-fourths of our country's natural land area and they have long been inhabited mainly by ethnic minorities and endowed with great economic potential and with abundant, diverse natural resources ecompassing forest land, living creatures, hydro-power, mineral ores, and industrial crops. With their rich, sloping terrains and their huge botanical resources, the mountain regions play a decisive role in the country's ecology. Situated along the country's northern and western borders, the mountain regions have many gateways to the outside world and other countries in the region. That is why they occupy a very important position in national defense and security.

Over the past years, the population structure in the mountain regions has undergone many changes. In that community, each ethnic group retains its own flavor but all of them share the same tradition of patriotism and solidarity. They have directly participated in and contributed greatly to the success of the revolutionary undertaking and to firmly maintaining national independence and sovereignty.

Overcoming innumerable difficulties and ordeals, the party organizations and the multiethnic people in the mountain regions have struggled incessantly and have achieved much progress in the cause of building socialism, developing the economy, gradually developing their strengths, creating large crop specialization areas, turning out even greater quantities of farm and forestry products for export, and carrying out industrial, artisan, and handicraft development.

In some localities, the face of the mountainous rural areas has underdone marked changes. A number of cities, towns, and major industrial complexes have been set up. Many families from the lowlands have come to resettle in the mountain regions, bringing with them their intensive cultivation expertise and a number of artisan and handicraft professions from the lowlands. The mountain compatriots have gradually gained access to scientific and technical findings. A number of children of the people of various ethnic minority groups have been trained as technical workers or scientific and managerial cadres.

However, the results obtained are, in general, still small as compared with the capabilities and requirements for development of the mountain regions particularly and of the entire country. In general, the level of socioeconomic development in the mountain areas remains very low. Their commodity-based economy is underdeveloped while natural and seminatural economies still represent the greater economic proportion. Nomadism has not been basically solved. The life of a majority of the mountain population still has numerous difficulties, very acute in certain areas. Poverty still exists on a large scale. Cultural activities are inadequate, and the percentage of the illiterate is still high. Some epidemics have not yet been eliminated. In certain localities and at certain moments, epidemics have caused high death tolls. Many negative social phenomena have developed. The reactionaries and hostile forces continue to take full advantage of the rugged and barely accessible terrains of

the mountain regions to carry out their multifaceted sabotage schemes against the revolution. Religions are developing in an abnormal fashion in a number of localities.

In the past, many state-run economic units, especially state-run agricultural and forestry units, have been set up in the mountain regions. Although occupying large areas of land, a number of state-run economic units with low productivity and poor efficiency have failed to make full use of all of their land areas while the local people are in need of land for cultivation. This has created disappointments and has made it impossible to develop the majority of forests and forest lands to full potential. Wanton forest exploitation and destruction remain very serious. There has been no rational policy for the delivery of forest lands and forests to the people for management, and the pace of delivery is still slow.

Besides a number of cooperatives noted for their achievements and progress, the bulk of cooperatives in the mountainous rural areas exist only in form, particularly those agricultural cooperatives in high mountain areas. Little attention has been paid to family economies and other appropriate forms of cooperative economies. Petty trade, which corresponds with small-scale and scattered comodity production, has been narrowed down and, in some places, eliminated. Some new economic zones have been developed without fully calculating the resulting socioeconomic efficiency and also in an arbitrary, simplistic, and hasty manner.

The infrastructure, particularly communication lines, in the mountainous regions, especially in remote high mountain areas, still remains underdeveloped and fragmented, not yet forming an uninterrupted network linking the various regions. This is hindering efforts to promote circulation in the mountainous regions as well as between mountainous regions and the lowlands.

A number of relatively large-sized industrial establishments—such as coal mines, hydroelectric power projects, and facilities for mineral exploitation, engineering, chemical and fertilizer production, and forestry product processing—have been operating independently, thus failing to play a pivotal role in promoting regional development.

This situation exists due to the difficulties facing the economy in general and the mountainous regions in particular, and more importantly, to deficiencies found in the socioeconomic policies for the mountainous regions and in the implementation of these policies.

1. Not being deeply aware of the important position nor the natural and socioeconomic characteristics of the mountainous regions, we have yet to truly consider development of the mountainous regions as an integral part of the strategy for nationwide socioeconomic development. We have failed to closely link economic development in the mountainous regions with that in the lowlands and to organize an overall, comprehensive study of political, economic, cultural, social, national defense, and security problems facing the mountainous regions in connection with the national problems in determining the guidelines and policies toward the mountainous regions. We have not properly used investments; particularly, we have not paid due attention to building the infrastructures of the mountainous regions.

2. There have been many mistakes in the establishment of socialist production relations in the mountainous regions. We have emphasized the building of large-scale state installations and carried out the socialist transformation of agriculture in a mechanical and apish manner in accordance with the delta pattern, independent of the standard of production and social conditions of the mountainous regions. These methods have restrained the development of production and have caused many adverse socioeconomic and political consequences.

3. The procedures for conducting on-the-spot basic and advanced cadre training as well as the policies toward cadres of ethnic minority people and lowland cadres assigned to the mountainous regions have been studied inadequately and have been implemented inconsistently and casually without encouraging cadres to remain in the mountainous regions in order to serve efficiently in developing these areas. As yet, the mountainous regions have not had a suitable contingent of competent cadres who thoroughly understand, and are devoted to, building and developing these regions.

4. The central government's undertaking to provide leadership and guidance for the mountainous regions is not yet commensurate with the important strategic position of the mountainous regions. Leadership is poor; all echelons and sectors from the central down to the grass-roots levels are still irresponsible, bureaucratic, inactive, and dependent.

This situation requires urgent action to determine correct guidelines and policies for vigorous socieconomic development in order to make the mountainous regions comprehensively strong and firm. This is both the pressing requirement of the mountainous regions and the extremely important duty concerning long-range national construction.

Second Part—Some Major Positions and Policies on Socioeconomic Development in the Mountain Regions

To determine major positions and policies on socioeconomic development in the mountain regions in accordance with the spirit of the sixth CPV Congress Resolution and the subsequent party Central Committee resolutions, we must thoroughly understand the following viewpoints:

First, socioeconomic development in the mountain regions is an organic part of the national economic development strategy. On the one hand, mountainous localities are responsible for contributing to implementing the common socioeconomic development policies and strategies of the entire country. On the other hand, in concretizing and organizing the implementation

of common positions and policies for mountain regions, we must fully take into account the characteristics of nature, history, economy, society, culture, customs, and habits of the mountain regions as a whole and of each area, and each ethnic group, in particular. In this matter, we should stress in particular the dynamic and creative role of localities and grass-roots units.

Second, socialist construction and socioeconomic and cultural development in mountain regions is a common undertaking of the people throughout the country. But first of all, it is the undertaking of the people of various nationalities in the mountain regions and of the new settlers coming from the lowlands. Exploiting and building the mountain regions is done in direct interest to the highlanders. At the same time, it is also in the common interest of the entire country.

Land and resources in mountain regions belong to the entire country and are owned by all the people. However, the people in mountain regions have the responsibility and the right to exert direct ownership and to make concrete use of the land, forests, and resources to promote economic development in their own interests and in the common interests of society. At the same time, they must participate in safeguarding and defending the fatherland's borders.

It is necessary to guard against the tendency to pay attention only to harnessing natural resources while ignoring the preservation, enrichment, and renewal of natural resources. This is because this tendency will result in natural resources gradually being depleted, ecological environments destroyed, and our country facing lasting consequences in various aspects. In promoting socioeconomic development in the mountain region, we must be fully aware of the motto: "The Central and Local Levels Must Work Together, Just as the State and the People." On the one hand, we must rid ourselves of the wait-and-see attitude and the tendency to rely on the central budget while underemphasizing local efforts. On the other hand, the state must strive to make more appropriate capital investments in the mountain region. As an immediate task, efforts must be made to develop communications and transportation, telecommunications, and electricity and water supply for support of the people in production and life. At the same time, it is necessary to formulate appropriate policies to create conditions for and vigorously motivate the people in the mountain region to exploit their latent potentials and strengths, develop their commodity-based economy, effectively realize their trade, and gradually achieve capital accumulation to provide investment in the development of the mountain region.

Third, it is necessary to firmly grasp the policy of developing the commodity-based multisectoral economy toward socialism in a planned fashion; readjust production relations in the mountain region to suit the character and knowledge of production forces; truly respect the people's right to self-determination in choosing appropriate economic management formats and mechanisms; regard results as a priority target; and be determined to refrain from being formalistic, from copying other people's works robotically, and from being imposition-oriented.

It is necessary to build state-run economic organizations in the direction of ensuring their efficiency, trying to turn them into a backbone force to carry out socioeconomic development in the mountain region; widely apply various appropriate transitional formats of economic cooperativization from low to high; attach specific importance to family economies; widely encourage the people to invest in commercially exploiting forest land and in the industrial, transportation, and service sectors; promote free circulation and exchange of goods and negotited trade activities; and capitalize on the source of foreign capital and of foreign cooperation in carrying out economic and cultural development in the mountain region.

Fourth, it is necessary to develop the mountain region comprehensively—economically, politically, culturally, socially, and in terms of national defense and security with socioeconomic development at the core—in conjunction with efforts to satisfactorily implement the party's nationalities policy. Appropriate attention must be paid to resolving social problems and improving the people's material and cultural life.

To practically exercise the right to equality between people of various ethnic groups, on the one hand the law must guarantee this right while on the other, policies must be formulated and favorable conditions must be created for the multiethnic people in the mountain region to vigorously surge forward to develop the region economically and culturally and to gradually improve their labor output and their material and spiritual life. It is necessary to attach importance to recruitment of cadres from among the multiethnic people for training and to respect and develop the fine cultural customs and traditions of the people of various ethic groups. The mountain civilization must be built on the basis of every ethic group developing its own culture, absorbing the cultural essence of other ethnic groups, and contributing to developing the common culture of the entire country, thus making the multiethnic Vietnamese community's civilization more copious and diverse. In national defense and security, it is necessary to satisfactorily implement various directives as outlined in Resolution 02 and Resolution 07 of the Political Bureau (seventh term of office) and to apply them in such a way as to suit the mountain region. Defending the fatherland frontier and safeguarding the mountain region are common duties of the entire country and also essential tasks of the mountain people. Military and public security (including border defense) cadres and combatants in charge of safeguarding the mountain region must be recruited chiefly from among mountain youths.

The decisive factor for ensuring the comprehensive and steady development of the mountain regions is that we

must attach importance to party building work. This is aimed at enabling party organizations in mountain region localities to truly manifest the intellect of the local people of all nationalities and represent their legitimate interests and aspirations, as well as to ensure a close link between the party and people, thus making them worthy of being the nucleus that leads the process of socialist construction in the mountain regions and helping build socialism throughout the country.

These viewpoints serve as the basis for defining major policies to carry out socioeconomic development in the mountain regions in the years ahead. This includes the following aspects:

I. It is necesary to establish an economic structure for the mountain regions along the lines of developing the commodity economy in close coordination with the delta provinces and to strive to bring into play the strong points of each area.

1. Agriculture and Forestry

The problem of grain in the mountain regions must be solved by employing the dynamics on the commodity economy and the strength of each locality and by eliminating the habit of producing enough grain only for oneself in all areas. In this spirit, it is necessary, on the one hand, to practice intensive grain cultivation in areas with a successful record, especially key grain-growing areas already serviced by irrigation projects.

On the other hand, in order to have commodities to exchange for grain and consumer goods, it is necessary to encourage the production, processing, and marketing of products which constitute the mountain regions' strong points such as forest products, pharmaceutical materials, subsidiary food crops, industrial crops, fruit trees, cattle, minerals, and so forth.

Also, we must encourage families of ethnic minority people, families of cadres, workers, and state employees, grass-roots economic units, organizations, schools, and armed forces units to preserve forests and turn open lands and barren hills into orchards, tree farms, and so forth.

Investments must be made selectively to establish permanent settlements for the nomadic people, providing them with lands for crop cultivation, gradually improving communication and irrigation, and guiding and helping them in making intensive cultivation on terraced fields and developing family-based economic activities.

In areas where the population density is too high and land for crop cultivation is scarce, the local people may want to move to other places with better living conditions. The state will accord them the same policies as applicable to people leaving for the new economic zones. Plans must be drawn up to help the people move on a voluntary basis and arrangements made with each tribe at the places of departure and destination to help the resettlers quickly stabilize production and ensure solidarity among the various nationalities. State funds reserved for these people shall be allotted to the localities for use according to plan.

Along with stepping up afforestation, especially in the people's sector, we must, on the one hand, rationally organize the exploitation of forests that are sufficiently productive and, on the other hand, limit liberal logging activities in watershed forests, forest reserves, and depleted forests in the years ahead. It is necessary to economize on the use of timber, especially precious and rare varieties of timber, and to limit to the maximum the export of unprocessed timber.

2. Industry and Infrastructure

We must vigorously develop the processing industry—especially the processing of farm and forest products—and small industry and handicrafts in the rural areas, mainly on a small or medium scale to suit the investment capabilities of various business households; preserve and develop all traditional professions of people of various nationalities, such as hand weaving, embroidering, and knitting; expand new branches and trades, especially those using locally available raw materials; and arrange for various families to engage extensively in the preliminary processing of farm or forest products. Establishments equipped with modern equipment should concentrate efforts on processing and improving the quality of products, expanding integrated business, and improving services at production sites and selling places.

We must rearrange and renovate the management mechanism at major industrial establishments, including national defense establishments. We must seriously exploit all available machine capacity and strive to create more production capabilities. We must combine these major establishments with the small industrial network in localities and build economic, cultural, and service centers in each region to meet the local people's demands on consumer goods, production equipment, and service and repair of machines.

Regarding communications and transportation, we must amass investment capital from the central government and localities, satisfactorily arrange for army and assault youth forces to participate in capital construction, and solicit contributions from all state-run economic units in the areas, along with seeking loans or cooperation from foreign countries to build or upgrade a number of key communications networks and some important economic centers. We must increase transportation facilities while extensively improving rudimentary means of transportation. We must formulate a policy on selling transportation facilities to the people and encourage the private sector to invest in transportation activity in the mountain regions. We will not overlook the scale and radius of transportation possibilities offered by river-going transport in localities.

As far as electricity is concerned, we must concentrate on supplying power to the people in areas near various

hydroelectric power plants while attaching importance to the development of small hydroelectric power stations and other energy projects under the motto that all production and business units and the people work together on a hamlet and village scale or in groups of families.

Regarding water resources, along with investing in the effective exploitation of some large reservoirs and dams, we must amass capital from the localities concerned, as well as from the people, to build small reservoirs to support intensive cultivation and agriculture, develop fishery among the people, and improve the ecology. We must produce more water pumping machinery to meet the people's requirements in localities, especially in areas planting industrial crops. We must conduct surveys and exploit water resources, including underground water in localities facing water shortage problem.

3. Trade and Service Activities

To ensure that grain, food, and consumer goods are sufficiently and promptly supplied to the mountain regions and that all of the products turned out by these regions are sold, we must streamline state-run trade networks (home trade, export-import, and service centers), eliminate unnecessary intermediary organizations, expand general business activities, and reorganize collective trade organizations at various levels and in different sizes. We must extensively organize the network of trade agencies to buy and sell products at villages, hamlets, markets, and communication terminals. We must encourage individuals and private traders to register their business and trading in products not prohibited by the law.

We must encourage all economic components to expand service activities to serve production and the people's daily life and to improve the economic, cultural, and public health domains... in accordance with the law.

4. Bring swift application of scientific-technological advances to the mountain regions

It is necessary to continue to perfect preliminary survey work in the mountain regions and generally evaluate natural conditions and natural resources so as to rely on factors obtained to draft a general plan, both long-term and short-term, for socioeconomic development in the mountain regions, taking into account the need to satisfactorily protect ecology and the environment.

In the immediate future, on the basis of satisfactorily utilizing those factors obtained from preliminary surveys, we must determine the production structure for each particular region and pinpoint investment possibilities that show high potential for concentrated investment. It is necessary to pay attention to conducting research on and applying technological advances in the areas of crop cultivation and animal husbandry and in processing agricultural and forestry products, especially those crops and animals which are regarded as the strengths of a region. We must rely on existing crop cultivation and stockbreeding centers in the mountain regions to set up technical services to support production. For instance, by creating new species or multiplying those highly-productive purebred species imported from abroad, ensuring adequate supplies of crop seeds and animal species for cultivation and breeding, protecting crop plants from harmful insects and livestock from diseases, applying new techniques for processing agricultural and forestry products, etc. Meanwhile, attention must be paid to renovating and improving the technical know-how of those establishments which harness and process natural resources, which deal with light-industry, handicraft, and small-industry, which turn out consumer goods, or which process grain and food. Attention must also be paid to improving dietary structure.

Economic-technological sectors must set up a number of scientific-technological research centers suitable to the characteristics of each region (northwest, northeast, central highlands, etc.) and must meet the realistic demands of the localities concerned. They must strive to introduce tehnological advances into production with a compact structure and a flexible working method coupled with efforts to combine research with guidance. Meanwhile, centrally-run scientific-technological establishments must promptly increase and accelerate scientific-technological research projects for support of the mountain regions. Great attention must be paid to training technical cadres for the mountain regions and to linking cadre training with the conduct of research on and the application of new techniques.

5. Foreign Economic Relations

Aside from promoting the exploitation of exports, it is necessary to satisfactorily organize processing activities on various scales and use modern technology to improve the quality of exports. We must satisfactorily organize and manage export-import activities—including the barter trade between peoples on both sides of the border—in various border provinces and districts. We must devise a policy to protect local goods against economic sabotage and against smuggling activities of dishonest merchants and state-run organizations. Mountain localities adjacent to the border can develop their springboard role by serving as general agents for export-import transactions with neighboring countries in accordance with stipulations of the state.

It is necessary to broaden various forms of foreign economic cooperation and formulate preferential and open-minded policies to attract foreign capital investment for developing the economy of the mountain regions agriculturally and in terms of forestry, mining industry, processing industry, small industry, handicraft, and trade and services at the infrastructure. Efforts must be made to apply various flexible investment formats ranging from joint ventures on various scales to 100-percent foreign capital investment projects.

It is necessary to invest in developing tourism and tourist services in the mountain regions, and restore and build

more tourist centers and spots in such areas as Dien Bien, Truong Son, Tam Dao, Da Lat, and others in order to attract local and foreign tourists.

Second Installment

BK1602141590 Hanoi NHAN DAN in Vietnamese 27 Dec 89 pp 1, 4

[Second and last segment of the "full text" of the CPV Central Committee Political Bureau resolution on socioeconomic development in the mountain regions—dated 27 November 1989]

[Text] II. It is necessary to satisfactorily adopt policies on the multisectorial economy, readjust production relations, and renovate management to fully unleash production capabilities in the mountain regions.

1. It is necessary to reorganize the ties between corporations and general corporations along the lines of eliminating unnecessary intermediary organizations; to launch a drive to inspect the use of land by state farms, forestry sites, or units stationed in the mountain regions; and to rationally reset the sizes of land holdings. Land areas that are left fallow, are not likely to be put into use in the years to come, or are being used with poor results by these units must be resolutely returned to the local administration for allocation to the people for production with better results. Watershed forests and forest reserves fall mainly under the management of the local administration. Land allocated to state farms and forestry sites is subject to taxation, including plots of land that have not yet been put under agricultural and forestry production.

To ensure that all land areas, orchards, forest plots, and properties thereof will have specific owners, it is necessary to broadly promote long-term, steady use of land for business purposes by peasant households and families of workers and state employees through contractual arrangement, rental agreement, and contract bidding. Legal documents will be issued to affirm the right of contracting households, to appoint beneficiaries for the use of contracted land, and to transfer the products derived as well as the assets and properties invested.

The operation of state farms and forestry sites should be expanded to include technical and circulation services to meet the demands of producers and businessmen of all economic components who work on local land, hills, and forests.

State-run units must completely switch to business accountability, develop the commodity economy, and strive to operate at a profit. Units that consistently record losses and are unable to recover should be converted to a suitable economic format.

We must prepare for and experiment with the transformation of a number of state farms and forestry sites into share-holding enterprises under numerous forms (including cooperation with foreign countries) or privately-owned enterprises.

2. With regard to the collective economic sector, all problems must be settled on the principle of true democracy and voluntariness. Peasants should be encouraged to join various economic organizations and effect flexible cooperation in many forms and on many suitable levels between families and between laborers. For cooperatives which have operated steadily and efficiently, renovation should be continued along the line of determining a suitable scale and broadly applying the contract system toward households. Cooperatives must strive to offer technical and circulation services satisfactorily.

3. Regarding the family economy, initially, and over the extended transitional period, the family economy constitutes a suitable form for developing the commodity economy in the mountain regions. Therefore, special attention should be paid to promoting and assisting the family economy for its development.

For people of some ethnic minority groups in the Central Highlands who are now living in "communal houses," land should be allocated to them and conditions created for them to develop gardening activities and form households as part of population clusters in order to convert the natural economy into the commodity economy step by step with the household serving as the basic unit.

4. The private economy—which operates according to law in the domains of agriculture, forestry, small industry, handicrafts, trade, service, and so forth, and plays an important role—constitutes a positive factor in the process of shifting the mountain regions from a natural economy to a commodity economy.

Economic organizations and private individuals in the mountain regions and the lowlands, as well as those at home and abroad, should be encouraged to make investments designed to develop agricultural production, forestry, processing industry, small industry and handicrafts, trade, services, transportation, and construction for meeting domestic demands and export. There are no limits on the scales of production or marketing and no discrimination against the products of any economic component, except for a small number of items the private production of which is not permitted by the state.

It is necessary to broaden the various forms of business cooperation and flexible integration between provinces, municipalities, and economic organizations in the lowlands and those in the mountain regions. The resultant economic units are permitted to freely circulate their products and may apply for business tax reduction or exemption for some years after starting operation.

III. Renovating the socioeconomic policies toward the mountain region

1. As an immediate objective, it is necessary to adjust the tax system regarding agricultural, small industrial and handicraft production, and goods circulation, in order to promote the development of the commodity economy in the mountain region. As a general guideline, tax exemptions will be given to agricultural production in a

number of localities facing numerous difficulties and to the circulation of essential goods, whereas tax reductions will be applied to food production and small industrial and handicraft operations. The state will increase the percentage of the tax amounts set aside for use by mountain districts and villages.

2. It is important to shift from the method of giving incentives to the sale of materials in support of production to the method of subsidizing the supply of commodity products. As far as the policy toward social welfare recipients is concerned, direct assistance rather than reimbursements for price dfferentials should be applied. It is necessary to apply appropriate credit loan rates to the stockpiling of consumer goods for steady supply to compatriots in the mountain region, especially during the rainy and typhoon season.

3. It is necessary to encourage the establishment of industrial, commercial, and service centers at the various townships and prefectures, and to establish communications networks in the mountain region. Investment is needed to build new markets for the mountain region or to improve the conditions of old ones so they all can effectively serve as economic, cultural, and business centers. Except for kinds of products that have been banned from circulation by the state, measures must be taken nationwide to promote autonomy in production and business operations and to encourage goods circulation and goods exchange among tribal people themselves, as well as between the mountain region and the lowland. Steps must be taken to expand the trade sector, the private trade sector included, so it can meet the demands of tribal people even in remote villages. Regarding border markets, it is necessary to take measures to guard national security in accordance with the law.

4. Regarding life, education, training, cultural and social development, and public healthcare, as an immediate objective, it is necessary to concentrate efforts on the following key tasks:

a. It is necessary to increase funding for public healthcare services in the mountain region and to guarantee a sufficient supply of medicines for the treatment and prevention of common ailments and epidemics. Positive measures must be taken to train more healthcare workers and improve their professionalism. Efforts are needed to formulate an appropriate remuneration policy toward healthcare cadres on work assignments in the mountain region. Concrete steps must be taken to train sufficient healthcare cadres for villages or groups of villages. It is necessary to link the activities of local healthcare services with the various facilities of the Vietnam Red Cross Association to provide people in each small village and residential area with better medical care.

It is necessary for the state to develop concrete measures for evaluating, certifying, and encouraging competent medical doctors to carry out their medical profession and to pass their medical expertise to other people. Steps must be taken to strongly encourage the processing and use of local pharmaceutical products and traditional drugs for prevention and treatment of diseases. When conditions permit, it is important to encourage healthcare cadres to establish pharmaceutical product processing facilities and medical centers in various forms (collectively or privately owned facilities) to provide medical care and treatment for people in the mountain region.

Plans must be made to help pay hospital fees of cadres and people living in the highlands, mountain areas, and former revolutionary bases where people are experiencing many difficulties in their everyday life.

It is necessary to take advantage of and reserve an appropriate part of aid provided by various foreign countries and international organizations for developing public healthcare and educational programs and for improving the living conditions of our minority compatriots in mountain regions, border areas, remote localities, and former revolutionary bases.

b. It is important to form an incentive policy toward suppliers of essential products for the tribal people's daily life, like salt, lighting oil, medicine, writing papers for students, and other supplies in support of cultural and artistic activities.

Measures must be taken to implement the water supply program for residential areas in high-lying localities, border areas, and border defense posts. Efforts must be made to basically complete the water supply program for people in these areas by the year 1995.

c. It is necessary to strengthen the mass media and acquire modern equipment such as radio cassette recorders, videotape recorders, and cassette tapes to improve the quality of local radio and television prgrams. Efforts are needed to disseminate the contents of cultural documents and materials that respond to the needs of our ethnic minority compatriots and that are consistent with their tradition. Attention must be given to using local dialects (and writing systems, if any) as vehicles for performing information and propaganda work.

d. Efforts must be made to renovate the educational system, personnel training, and benefit packages for cadres on work assignment in the mountain region. It is necessary to increase funds for educational facility building projects and general education teacher training programs, and to secure enough classrooms for tribal students. Efforts are needed to reorganize the grass-roots general education school system, first of all the grass-roots general education school system in highland villages, including private classes in the various villages or groups of families. It is necessary to provide youths and teenagers with appropriate level-I education and to secure free education for tribal students and students belonging to families that came to the mountain region for work and now experience difficulties in their

everyday life. Attention must be given to helping minority people learn their tribal dialects and the common language.

With respect to the people who need to learn ethnic dialects, they must be given all favorable conditions to do so and achieve practical results.

The educational system must be replanned to suit the requirements for socioeconomic development of mountainous regions in general and of each specific region in particular. First of all, we must enlarge and consolidate the general boarding schools for ethnic people, the work cum study schools, and vocational training centers and preparatory training courses for ethnic children in mountainous regions to prepare themselves for college and vocational study as required by some trades and jobs. At the same time, there must be preferential policies in the selection of students and the granting of scholarships, especially toward ethnic highland children. We must implement the principle of giving priority training to ethnic cadres and cadres to be assigned to mountainous regions so that after the training they can return to localities and serve the ethnic people.

The programs for short-term basic and advanced training of management cadres and specialists must be expanded in conformity with the production structure and mores of each region. The special classes reserved for cadres from mountainous regions in the various party, administrative, and mass organization schools at both central and local levels must be restored, and at the same time a satisfactory system for the students of these classes must be implemented.

We must supplement the policies and systems applied to ethnic cadres as well as those cadres from lowlands who are assigned to mountainous regions, especially those on highlands and islands and in outlying areas.

Third Part—Organization, Guidance and Implementation

1. Renovate party leadership over mountainous regions; perfect the organization and improve the quality of cadre contingents in advisory agencies so they can be sufficiently capable of helping the central government study and institute policies as well as control the organization and implementation of policies toward people of various nationalities and socioeconomic policies on mountainous regions.

Renovate the organizational forms and operating procedures of mass organizations to suit realities in mountainous regions to vigorously mobilize the mass movement to successfully implement the party policies and lines.

2. To ensure the victorious fulfillment of these major requirements and policies, the Political Bureau and Secretariat and the Council of Ministers should properly strengthen the contingents of key cadres for mountainous provinces, including leading, management, scientific, and technical cadres. The Political Bureau will appoint some cadres to be responsible mainly for implementing this resolution and will establish plans for receiving periodic reports the implementation. The Council of Ministers chairman will assign one of his vice-chairmen to regularly guide the tasks concerning mountainous regions. All other sectors involved will assign each a leading cadre and some specialized cadres to take care of problems concerning the mountainous regions.

Depending on the extent of the tasks, authorities of mountainous provinces and provinces with mountainous districts should put some of the provincial people's committee members in charge of the tasks concerning the people of nationalities, highlands, outlying areas, and former base areas.

There should be stipulations to apply the relevant principle of democratic centralization of the people's councils to those localities with many people of various nationalities to make the people's councils truly the organ of people's power and to ensure national solidarity at the same time.

The village administration should be consolidated in connection with correctly defining the duties of villages and hamlets, paying attention to the role of village chiefs and elders in socioeconomic management and security and national defense duties.

3. The Council of Ministers will provide guidance for concretizing and legalizing the contents of this resolution that will be promulgated and executed effective the first quarter of 1990. In the process of concretization, appropriate steps should be determined and specific and practical action should be taken with the highest possible effort, focusing on those tasks to be done in the immediate future and in the next few years.

4. The CPV Central Committee Secretariat will guide party committees in controlling the implementation of this resolution, regularly follow up and preliminarily and generally review the implementation, draw upon experience, and make timely petitions for additions to the resolution in the course of implementation.

Two UNDP-Financed Water Projects Signed

BK1902151590 Hanoi VNA in English 1446 GMT 19 Feb 90

[Text] Hanoi VNA February 19—Two UNDP [United Nations Development Plan]-financed projects to strengthen Vietnam's capacity for the effective management of water resources were signed here today.

The first which is on strengthening the undergraduate education at the Water Resources College in Hanoi will provide institution building to upgrade and broaden the capacity of the college, experimental equipment for two

laboratories and personnel training to the college. The project will be implemented by the college with a contribution of 675,700 U.S. dollars from UNDP and 265,710,000 dong from the government.

The second which is on river dike monitoring and repair will also provide institution building. It will help upgrade the capabilities of the Department of Dike Management and Flood Control to carry out safety monitoring of dikes as well as to perform remedial construction on the 5,000 km of river dikes in the country. The project will also provide training and equipment to the department. UNDP will contribute 695,100 U.S. dollars and the government, 500,000,000 dong to the project.

Accord Signed With UN Capital Development Fund

BK2202092990 Hanoi VNA in English 0732 GMT 22 Feb 90

[Text] Hanoi VNA February 22—A delegation of the United Nations Capital Development Fund (UNCDF) led by Dean W. Everts, executive secretary of the fund, visited Vietnam from February 4-21 to consider possibilities for aid to Vietnam for the coming years.

The delegation had working sessions with central offices, and some enterprises in Hanoi, Haiphong, Ho Chi Minh City and Quang Nam-Danang Province.

A memo on UNCDF aid to Vietnam in 1990-1993 was signed on February 20. Signatories were Do Quoc Sam, first vice chairman of the State Planning Commission; David Smith, resident representative of the United Nations Development Programme (UNDP) and UNCDF; and Bernard Pheri, acting head of the UNCDF delegation.

Nguyen Khanh To Attend Bangkok Conference

BK1902131290 Hanoi Domestic Service in Vietnamese 1100 GMT 19 Feb 90

[Text] The steering committee for Vietnam's participation in the world conference on education and representatives from UNICEF and UNDP [UN Development Program] held a news conference in Hanoi on 19 February to announce the world conference on education to be convened in Thailand in early March this year. Attending the news conference was a large number of newsmen from news agencies, newspapers, radio and television stations at home and from abroad.

At the news conference, comrade Pham Minh Hac, minister of education and head of the steering committee for Vietnam's participation in the world conference on education; Mr. (Farugee), representative from UNICEF; and Mr. (David Smith), representative from UNDP, stressed the importance of the world conference on education. The conference will be convened under the theme: education for all people, meeting basic education requirements. The conference will motivate participating countries to review their plans to fulfill targets on education programs designed for all people's strata by the year 2000 with emphasis on the three fundamental tasks: education for children, education for adults, and elimination of illiteracy. Vietnam will participate in a positive manner in this conference.

The Council of Ministers chairman has issued a decision establishing the steering committee for Vietnam's participation in the world conference on education headed by Education Minister Pham Minh Hac. The Jakarta-based steering committee for consultative meetings of the Pacific region and representatives from 24 countries will discuss topics and contribute ideas on education for submission to the coming conference in Bangkok. The Vietnamese delegation led by Council of Ministers Vice Chairman Nguyen Khanh will participate in this world conference.

Le Duc Anh Greets Yazov on Army-Navy Day

BK2102121890 Hanoi Domestic Service in Vietnamese 1400 GMT 19 Feb 90

[Text] On the occasion of the 72d Soviet Army and Navy Day, 23 February 1918 - 23 February 1990, General Le Duc Anh, our country's minister of national defense, has sent a message of greetings to General Yazov, minister of national defense of the USSR. Among other things, the message said:

Over the past more than seven decades, under the leadership of the CPSU founded by Lenin, the heroic Soviet Armed Forces, developing the glorious tradition of the Great October Socialist Revolution, have written glorious pages of history in the cause of building and defending the first socialist homeland of the world, thereby making great contributions to the struggle for peace and national liberation on our planet.

The people and People's Army of Vietnam very highly value and take great pride in the achievements recorded by the Soviet people and Armed Forces on their path of advance replete with hardships but full of glory. We are convinced that in its current restructuring process, the Soviet Union will overcome all difficulties and trials and win many new victories.

On this occasion, we sincerely thank the Communist Party, government, people, and Armed Forces of the Soviet Union for their great and effective assistance to the Vietnamese Revolution in the past as well as at present. May the friendly solidarity and fraternal cooperation between the peoples and Armed Forces of Vietnam and the Soviet Union be further consolidated and successfully developed with each passing day.

Official on Sea Transport Venture With USSR

BK2202091890 Hanoi VNA in English 0724 GMT 22 Feb 90

[Text] Hanoi VNA February 22—Around 20 door-to-door shipments by lash freighters between the Soviet Union and Vietnam have been arranged for this year,

said Dao Ba, director general of the Vietnam-USSR transport joint venture Viet-So Freighter.

Dao Ba was speaking at a conference of freight owners held here on Tuesday [20 February]. Lash freighters were put into operation in January to carry cargoes on the river-deep sea-river bases between Vietnamese and Soviet ports. In the near future, the joint venture will broaden its operation to countries in Southeast Asia, the Mediterranean, the Indian Ocean, and other regions.

Present at the conference were representatives of public offices and import-export companies of Vietnam. More shipping contracts were signed during the conference.

Australia

Fishing, Commodity Accords Signed With Soviets

BK1502033890 Melbourne Overseas Service in English 0100 GMT 15 Feb 90

[Text] Soviet fishing vessels will be allowed access to Australian ports and Australian commodity sales will have better prospects in the USSR as a result of latest agreements with the Soviet Union.

Our Canberra office reports that Australian and Soviet ministers have signed agreements on fishing, commodities, and other areas of cooperation. The ceremony in the cabinet room was watched by the Soviet prime minister, Mr Ryzhkov, and the Australian prime minister, Mr Hawke.

As part of the agreements, the Soviets' large Southern Ocean Fishing Fleet will dock in Australian ports and two trawlers will be allowed to fish off the west Australia coast for a year. Under the commodity deal, Australian wheat, wool, meat, and minerals will have longer term stability in the Soviet market.

Japan's Drift-Net Boats 'Will Not' Be Refueled

OW1502042890 Tokyo KYODO in English 0233 GMT 15 Feb 90

[Text] Sydney, Feb. 15 KYODO—Australia will not provide tankers to refuel Japanese drift-net fishing boats operating in the South Pacific area, Australian Resources Minister Peter Cook said Wednesday. Among the South Pacific countries that have signed a treaty against drift-net fishing, Australia conducts strict surveillance of Japanese fishing boats in its waters, and so does New Zealand.

A Philippine tanker was refused fuel earlier this month in New Zealand because the environmental protection group Greenpeace claimed that the tanker was going to refuel Japanese drift-net fishing boats. The tanker went to Adelaide, Australia, but it was also refused fuel there and had to head for Southeast Asia.

The Government of New Zealand is now proceeding to bring in legislation giving the Government the right to refuse refueling to drift-net fishing boats.

Fiji

Deserter From Army Tells of Beatings, Looting

BK2801013390 Hong Kong AFP in English 2137 GMT 27 Jan 90

[Text] Auckland, New Zealand, Jan 28 (AFP)—An Indian who served in the Fiji Army during the 1987 coups claims Fijian soldiers looted and beat Indians and, while he was with them, raped a young woman. The DOMINION SUNDAY TIMES newspaper published an interview Sunday with the soldier, now a deserter in New Zealand seeking political asylum. The paper did not name him.

The former engineer corps soldier said that during the period of direct military rule in Fiji, after the two military coups overthrew an elected government, he was assigned to patrols in the countryside where he was forced to act as an interpreter with shopowners while Fijian soldiers looted the stores.

During seven months with one patrol he took part in more than 50 lootings and many beatings. He claimed he had to take part in the beatings or be branded a traitor and imprisoned.

"For the Fijians, it was a joke. For me, it was very upsetting to be attacking my own people. My family and friends no longer speak to me," he said. Once when he was patrolling with the soldiers, he said they met an 18-year-old Indian woman on the roadside. "They said they had to search her. She screamed and screamed. The boys came out of the bushes smiling ... they were very pleased with themselves. I knew they had raped her."

The Indian soldier said he complained to a senior officer but that nothing was done.

The Fijian Army has medical insurance with a New Zealand company and last April the Indian was flown to Wellington for an operation on his arm. He never returned. The soldier claimed atrocities were still taking place in Fiji.

The newspaper said his application for political asylum was still being processed. New Zealand has made no asylum grants to Indians from Fiji but has allowed many who would not otherwise qualify under normal immigration criteria to stay anyway.